CONGRESSIONAL DIGEST

The Pro and Con Monthly

January, 1933

Congress And The
Beer Problem

History of American Liquor Legislation

The Budget and a Beer Tax

Provisions of the Collier Beer Bill

Should the Sale of Beer be Legalized?

The Students' Laboratory

All Regular Features

WASHINGTON, D.C.

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The Congressional Digest

The Pro and Con Monthly

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Contents This Month

THE CONGRESSIONAL DIGEST is Indexed in the Readers' Guide

The

Congressional Digest

Vol. XII No. 1

January, 1933

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Congress and the Beer Problem

Foreword

WHEN the House of Representatives, on December 21, passed the bill, introduced by Representative James W. Collier, Democrat, of Mississippi, chairman of the Committee on Ways and Means, making legal the production and sale of beer, the opponents of prohibition gained their first legislative victory in fifteen years and started on what they hope will be a march toward the absolute repeal of the Eighteenth Amendment to the Constitution.

As the DIGEST goes to press, the Collier bill is before the Senate Committee on the Judiciary and the fight in the Senate is just beginning. That it will be a hard fight is admitted by even the most enthusiastic of the bill's supporters who, while highly elated over the results of the vote in the House, have no illusions as to the situation in the Senate.

In the House the Collier bill was a Democratic party measure, with all the strength of the Democratic leadership back of it. In addition to this, the House rules make it easy for the majority to set a limit on debate and fix the time for a vote.

These rules operated smoothly with the beer bill. It was reported by the Committee on Ways and Means after open hearings had been held, was called up in the House, debated for two days and passed.

The Democratic leaders mustered two-thirds of their party votes for the bill. The Republicans did not take a partisan stand on the bill but all allowed each Republican Member to vote as he chose, resulting in practically an even division of Republicans for and against the bill.

The situation in the Senate is different. The Democrats are not in Control of the Senate and even if they were the rules of the upper branch would not permit them to force prompt action if the minority declined to agree to it. In addition to this there are other elements that render prompt disposition of the bill doubtful.

What bothers the supporters of the bill when they come to consider the outlook in the Senate is not only the surface evidence of opposition from the out and out drys but what lies underneath.

The real and formidable opposition in the Senate includes the following elements:

1. Out and out dry Senators who can, if they so elect, conduct a filibuster against a vote on the bill. This would be easy of accomplishment because of the shortness of time between now and March 4.

2. Those Senators who, while wet, sincerely feel that it is a mistake to pass a beer bill before passing a resolution for the repeal of the Eighteenth Amendment.

3. Friends of the whiskey and wine interests who are left out in the cold by the Collier bill.

4. The whiskey and wine interests, themselves, who, while outwardly acquiescent in the action of the House, were so merely because they knew they could not stem the tide and therefore planned to make their fight in the Senate.

The position of the distillers and wine manufacturers is that if the restrictions are removed to the extent that the brewers may manufacture and sell beer, the brewers will then become opponents of repeal of the Eighteenth Amendment, since, without repeal, they will have a monopoly on the manufacture and sale of all alcoholic drinks.

"Why," ask the distillers and wine growers, "should the brewers work for repeal if it means nothing to them?"

Wine grapes are grown in several localities in the United States, principally in California, Ohio and New York. Whiskey is distilled chiefly in Kentucky, Illinois and Pennsylvaina.

So far as the out and out prohibitionists are concerned, their strategy is to play for time. In a majority of the states 1933 is a year for the meeting of legislatures, many of which meet only biennially. The drys have it figured out that the antiprohibition wave is at its crest now and that it will inevitably recede. Therefore, if they can hold back any sort of wet legislation at this session of Congress the legislatures meeting in 1933 will not have a Congressional example before them and that by the time they meet in 1935 the situation will have changed and the dry forces will be stronger throughout the states.

Therefore, with all these forces at work, the path of the Collier bill from now on is strewn with tough obstacles. If it passes the Senate there is a chance that President Hoover will veto it, although he has given no indication whatever as to what his attitude will be.

In the meantime the supporters of the bill are working hard in the Senate to bring the bill to an early vote. Senator Norris of Nebraska, chairman of the Committee on the Judiciary, which will report on the legal aspects of the bill, has announced that his committee will act promptly.

The bill will then be sent to the Committee on Finance, of which Senator Smoot of Utah is chairman. This committee will pass on the tax features.

The supporters of the bill feel confident that they can overcome all opposition to bring about a vote on the bill before March 4. If their claims are borne out the final decision will rest with the White House.

Liquor Regulation in America

1619 to 1920

by Ernest A. Grant

ATTEMPTS to regulate the use of intoxicating beverages are older than our American civilization. The first efforts at regulation by governmental decree, other than the inhibitions against intoxication by the theocracies of the ancient world, are to be found in the records of the 13th century. The art of distillation of alcoholic beverages was probably not discovered until several centuries of the Christian era had elapsed. All of the intoxication prior to this discovery was produced by the consumption of barley beer or other brewed beverages or by vinous liquors. The drunken debauches of ancient Greece; Babylonia; Egypt; Rome and the other empires of the past are believed to have been due to barley beer and wine.

When Henrick Hudson set foot on the shores of New York Bay and for the first time presented intoxicating beverages to the natives, one of the chief's became so dead drunk that his comrades believed him dead. When finally roused from his stupor, he expressed such pleasure from the sensation that other Indians tried the intoxicating beverage. As a result the Island was named "Manhachtta-nienk," which translated from the language of the Delaware Indians means, "The island where we all became intoxicated." One tradition is that "Manhattan" is a corruption of this Indian term.

Were we to attempt to list all of the regulations and legislation put into effect throughout the thirteen original colonies in dealing with the consumption of intoxicating beverages, a large volume would be required. In almost every year from the founding of Jamestown in 1607, from the landing of Hudson in 1609, and the establishment of the Plymouth and Massachusetts Colonies in 1620 and 1621, up to the Revolutionary War, governmental policies were adopted dealing with one phase or another of this question. In these early days, however, it was not regarded as a social evil in the sense that it was during the 19th and 20th Centuries and consequently restrictive measures looking toward decreasing the consumption of alcoholic liquors were aimed at the individual and excessive consumption. In the following chronological arrangement only a sufficient number of instances are referred to to acquaint the reader with the nature of those early attempts toward regulation.

1619

THE Colonial Legislature of Virginia in a law against many of the vices of the period included drunkenness and required that all drunkards should be publicly reproved by ministers.

1629

THE London office of the Massachusetts Colony ordered Governor Endicott to avoid the sale of intoxicating beverages to the savages "For our lucre sake," that they might not make "excessive use or rather abuse of it; and at any time take care our people give good example." It further ordered that any colonists becoming drunk should be made an example before all others.

1630

THE custom of "drinking healths" was discontinued by Governor Winthrop of Massachusetts who announced that he wishes "others to do the like." This is looked upon as the first instance in America of the consideration of drinking as a "social evil."

1633

THE Massachusetts Bay Colony required that the Governor's permission must be obtained to sell liquor on the ground that "many are distempering themselves with drinks." This is thought to be the first definite regulation of the sale of liquor in the Colonies.

In this year the Plymouth Colony prohibited drunkenness in one's own home.

1638

THE first record of the distillation of brandy in the colonies is found, brandy being distilled by the Dutch on Staten Island, New York.

1644

THE Virginia Assembly passed an act prohibiting the sale of wine or strong liquor, but permitting the sale of beer. This Act provided, also, that no liquor debts were "pleadable or recoverable" by law.

Massachusetts passed an act taxing liquor for revenue. New York passed an act placing an excise tax on beer, wine and brandy.

1650

CONNECTICUT placed a tariff on importations of liquor, one of the earliest of the tariff acts, and also passed an act placing an exicse tax on the domestic manufacture of liquors.

1654

MASSACHUSETTS passed a general liquor control law, the preamble to which stated "notwithstanding the great care this Court hath had and the laws made to expell that swinish sin of drunkenness, yet persons addicted to the vice find out ways to deceive the law."

1655

THE Colony of New Haven enacted liquor regulatory laws and Connecticut fixed the price at which it might be sold.

1658

DRUNKARDS were disfranchised by a liquor law enacted in Plymouth Colony, and Virginia enacted a law partially

disenfranchising those who had been convicted of drunkenness three times.

1664

Evidence that the consumption of malt liquors was becoming intolerable in New York was found in an ordinance published in this year against the manufacture and sale of malt liquors.

1668

The Indians appealed to the New York authorities that no liquor be sold to Indians any place along the Hudson river and a few years later the Chiefs of the Delaware Indians made a similar appeal to the Pennsylvania authorities.

1673

Probably the first prohibition against the sale of liquor on Sunday took place in this year when Rhode Island published a law to this effect. Other colonies at later dates enacted similar laws.

1677

Restriction of the number of places of sale appears in legislation enacted by Virginia in this year which provided that only two licenses could be granted in each county and they must be to Taverns.

1683

The manufacture of liquor in Pennsylvania began under William Penn.

1686

A law passed by South Carolina provided that only those licensed by the Governor could sell intoxicating liquors.

1728

That it was believed necessary to drink intoxicating liquors at funerals is evidenced by the fact that Salem, Massachusetts, provided a gallon of wine and a gallon of cider for the funeral of a pauper and in the following year provided six gallons of wine for a similar purpose.

1733-42

One of the first acts of Governor Oglethorpe upon his arrival in Georgia from England was to declare the importation of ardent spirits as illegal. The English Parliament two years later enacted legislation supporting this prohibition, but in 1742 it rescinded that action. This prohibition of importation gave rise to smuggling along the coast. When smugglers were apprehended and brought to trial juries frequently refused to convict them. Governor Oglethorpe then tried to divert the drinking of hard liquors to beer and even went so far as to provide the settlers with materials with which to make beer, but his efforts were not successful.

1756

The colony of Pennsylvania enacted an excise law levying a heavy tax on importations of ardent spirits. It was about this period that there was enacted an excise tax on the manufacture of spirits. The collection of this tax in Western Pennsylvania was difficult. When the Federal Government was established open rebellion broke out (1793) and it was necessary for President Washington to order troops into the affected area to quell the disturbance and enforce the law.

1760

About 1760 the Virginia Legislature purchased land near Williamsburg, Virginia, with a view to developing the wine-grape industry as a substitute for hard liquors. Whether this experiment was inherently a failure or whether more pressing attention was given to the coming Revolution, cannot be authentically stated. At any rate the Legislature considered the experiment a failure and conveyed the land to William and Mary College. It is to this day known as "The Vineyard."

1777

Under the Articles of Confederation the Continental Congress did not have authority to enact legislation. That it did recognize the necessity of regulation is evidenced by the resolution adopted on February 27, 1777, to the effect "that it be recommended to the several legislatures of the United States immediately to pass laws most effectual by putting an immediate stop to the pernicious practice of distilling grain, by this the most extensive evils are likely to be derived, if not quickly prevented."

1789

The first tariff bill enacted by the American Congress and, the second act placed upon the statute books of the United States under the Constitution, provided for a tax on importations of rum and distilled liquors.

1790

A tax was placed upon the manufacture of distilled liquors while all other regulatory measures were left entirely in the hands of state and municipal authorities. That the regulation of liquor was a major problem, however, is evidenced by a letter written by George Washington, on March 31, 1789, in which he referred to drink as "the source of all evil and the ruin of half the workmen in the country."

1799

With a view to discouraging drinking on the premises, the first session of the Mississippi territorial legislature enacted a law to the effect that no person should retail or sell rum, brandy, or other spirits, in less quantity than two quarts, or beer, ale or cider in less quantity than five gallons delivered to one person. Forty years later, in 1839, when Mississippi had become a state, its legislature repealed the laws then in effect and adopted the famous "Gallon Law" under the terms of which the smallest quantity of distilled liquor to be retailed was one gallon.

1800

The first total abstinence pledge in America was circulated in Nelson County, Virginia, by Micajah Pendleton.

1802

CONGRESS, upon the recommendation of President Jefferson, enacted legislation to restrain or prevent the sale of liquor among Indian tribes.

1808

THE first permanent Temperance Society was organized in the town of Moreau, Saratoga County, New York.

1812

THE General Conference of the Methodist Episcopal Church voted down the following resolution after it had been called up for consideration five successive times: "Resolved, that no stationed or local preacher shall retail spirituous or malt liquors, without forfeiting his ministerial character among us." This resolution was finally adopted in 1816. A century later the General Conference of the same church declared that "all the woes of perdition lurk in the barroom."

1813

To raise money with which to carry on the War of 1812, Congress placed an excise law in effect including licenses on retailers of "wines, spirituous liquors and foreign merchandise," which taxes were to cease one year after the termination of the war. This Act of Congress contained the provision that no license should be granted to persons to sell such liquors or merchandise who were prohibited by state law from selling the same.

1819

THE first total prohibition law within the United States was adopted by the National Committee and Council of the Cherokee Nation at Newton, Georgia, its capital. This law provided that "no person or persons, not citizens of the Nation, shall bring into this Nation or sell any spirituous liquors." All liquor sellers were white. Consequently, the law amounted to absolute prohibition. In the same year, the first treaty made by the Federal Government with the Indians (the Choctaw Nation) contained a definite provision eliminating the liquor traffic.

1824

THE Russian-American Treaty for the sale of Alaska to the United States prohibited the sale of intoxicants to the natives of the Alaska Territory.

1827

THE United States Supreme Court held unconstitutional a state law imposing a license tax on an importer of liquor within the state as constituting a burden upon foreign comerce.

1829-35

THE Temperance Society movement grew to such great proportions that the number of distilleries in New York State was reduced from 1149 in 1829 to 337 in 1835, and in the year 1834 alone 1472 persons were reported to have abandoned the sale of "ardent spirits," and, in addition, many towns reported that all taverns and stores had abandoned such sale.

1838

MASSACHUSETTS enacted the Fifteen-gallon law forbidding the sale of "ardent spirits" in less quantity than fifteen gallons to be delivered and carried away at one time. This was repealed in 1840.

Connecticut prohibited the sale of wine or spirits in quantities less than five gallons, and in Maine a similar law prohibiting sale in less than twenty-eight gallons lacked only one vote of passing the State Senate.

1838-50

DURING this period of time many states in different parts of the Union enacted local option laws.

1840

"THE Washingtonian Movement" began. This was a movement started in Baltimore among a group of reformed drunkards and was a moral suasion, pledge-signing appeal to drinking men. It swept the country with such great power that the licensed places of sale decreased in Philadelphia from 1140 in 1837 to 560 in 1843; in Cleveland, from 99 to 8; in St. Louis, from 134 to 27; and in Providence, from 209 to 41.

1844

THE territorial legislature of Oregon enacted a prohibitory law which was strengthened in 1845.

1846

MAINE adopted the first state-wide prohibition law in the nation. This law had been agitated since 1837. It was weak in many respects and in 1849 a more stringent bill was passed by both houses of the legislature but was vetoed by the Governor. In 1851, however, it was strengthened and state prohibition, as it is now understood dates from that time. It prohibited the manufacture, sale, and keeping for sale of intoxicating liquors and provided heavy penalties for its violation.

1847

THE Supreme Court of the United States partially reversed a previous decision made in 1827 and upheld state legislation prohibiting a liquor dealer from selling liquor without a license, although the dealer was an importer who sold liquor in the original barrel brought into the state in interstate commerce. It was this decision that established the principle of law that, where Congress had not enacted laws with respect to a commodity in inter-state commerce, state laws could apply. This rule was followed for the next forty-three years.

1852

MINNESOTA adopted a prohibitory law, which was declared unconstitutional two years later.

Rhode Island adopted a state-wide prohibitory law, which was amended to meet certain court objections and submitted to the people a year later.

Massachusetts adopted a law containing the chief features of the Maine law of 1851.

1853

MICHIGAN, upon submission to the popular vote, adopted a prohibitory law similar to that in force in Maine.

1854

CONNECTICUT adopted a state-wide prohibition law. Ohio adopted an anti-saloon law forbidding the sale of liquor to be drunk on the premises.

1855

SIX states passed prohibitory laws: Indiana, Delaware, Iowa, Nebraska, New York and New Hampshire. All of the New England states were at this time under prohibition laws of various types.

After New Hampshire adopted its state prohibition law in this year, not another state adopted similar legislation for over a quarter of a century, and the laws were made ineffective in most of the states that had passed such legislation, either by court decision or legislative action. In Indiana, New York and Minnesota the courts declared certain features of the state-wide prohibition laws unconstitutional.

1857

DELAWARE returned to license.

1858

NEBRASKA returned to license.

Iowa passed legislation prohibiting the sale of distilled liquors but permitting the sale of beer and wine.

1861

MICHIGAN permitted by law a traffic in beer and wine.

1862

ON November 17 the United States Brewers' Association was organized in New York City. A short time previous to this, a bill had been introduced in the U. S. House of Representatives to provide for an internal revenue tax on all alcoholic liquors. The tax then in effect was $1.00 per barrel on beer.

1863

UPON the insistence of the United States Brewers' Association, Congress reduced the tax on beer to 60 cents a barrel.

Rhode Island repealed state-wide prohibition, and within the next twelve years two of the remaining five of the thirteen prohibition states, Massachusetts and Connecticut, returned to license.

1864

THE internal revenue tax on whiskey was increased from 60-cents to $1.50 and $2.00.

1865-75

DURING the decade following the Civil War, when the internal revenue on alcoholic beverages was increased, corruption became so rampant that a national scandal ensued. The scandal was known as the "Whiskey Ring." With a view to evading the excise tax and license fees, distilleries in various parts of the country conspired with Federal officials to defraud the Government of revenue and secure protection by public officials through large contributions to political campaign funds. The moneys were to be raised by the saving of taxes to distilleries by illegally withdrawing spirits from bonded warehouses, tax free. In a subsequent Congressional investigation, it was established that millions of gallons of whiskey were fraudently withdrawn, and at least a part of the savings were placed in a fund used for political purposes.

A confidential agent of the Treasury Department who investigated the Whiskey Ring and who prepared evidence that led to the indictment of its leaders, writes about the illegal operations of the Ring in his book "Secrets of the Internal Revenue Service" in language that sounds familiar to newspaper readers of today. Referring to these wholesale violations of the excise laws, he says:

"The depravity, malpractice, strategems and audacity of these public robbers have astounded and alarmed the country. They have openly defied the laws; they have perpetrated deeds of violence and even resorted to murder and assassination to carry out their nefarious plans. They have bribed and corrupted Government officials and formed widespread and powerful combinations to evade the law, circumvent the authorities and amass wealth by fraud, chicanery, intimidation and bloodshed."

1866

CONGRESS amended the Internal Revenue Act of 1862, changing the license of retail liquor dealers to a tax on liquor.

1870

MASSACHUSETTS enacted legislation prohibiting the sale of hard liquors and permitting the sale of mild liquors such as beer and wine. This proved to be a failure, however, and the state returned to license.

1880

KANSAS enacted a state-wide prohibition law which has remained in effect to this time.

1889

NORTH DAKOTA enacted a state-wide prohibition law which was not repealed until the last election.

1890

THE Supreme Court of the United States, in the Original Package Case, in effect reversed the derision of 1847 and held that a state could not prohibit a liquor dealer from importing liquor in interstate commerce for resale in original packages. This largely nullified state attempts at prohibition. Liquor dealers opened warehouses in dry states from which they sold liquor in original packages shipped in inter-state commerce.

Congress promptly passed the Wilson Act (1890), seeking to make liquor upon arrival within dry states subject to state laws. The Supreme Court construed the word "arrival" to mean that state laws applied only when the shipment arrived at its destination upon delivery to the

consignee. This permitted citizens living in dry states to import liquors in inter-state commerce for personal use without hindrance. Through the employment of traveling salesmen, advertising, and other forms of solicitation, the liquor interests thwarted the prohibition policy of the states. They accepted orders for liquor and shipped them into dry states C.O.D. Express and freight agents became, in practical effect, agents of the liquor dealers.

1890

THE Georgia Legislature authorized the college town of Athens to establish a municipal liquor dispensary. This law was patterned after the Gothenburg or Swedish plan, inaugurated in 1865. The idea of the local dispensary spread, and between 1890 and 1915 local dispensaries were operated by many counties and towns in Georgia, Alabama, North Carolina, South Carolina and Virginia. They were created either by special acts of the legislature or by general acts, which enabled communities desiring to operate a dispensary to do so after a majority vote.

1892

IN South Carolina, following a State election in which a majority had voted for state-wide prohibition, the newly elected governor, Benjamin F. Tillman, effected the establishment of a State dispensary system as a temperance and a revenue measure. The law became effective July 1, 1893. A State board of control was created with entire power to administer the law.

The State dispensary commissioner, at first appointed by the governor and later by the board of control, was made chief administrative officer. The law provided that he should not only be of good moral character but "an abstainer from intoxicants."

Manufacture of liquor within the State was prohibited. All purchases made upon State credit were to be in bulk, shipped to the State dispensary at the capital, and there bottled and sealed in half-pint to five-gallon packages. From there it was to be shipped to the county or city retail dispensaries. Profits from the State dispensaries were to go to the State treasury and be used largely for public education. The profits are reported to have amounted to about five hundred thousand dollars annually, or approximately one-third of the total revenue raised by the State.

The retail dispensaries were operated under the county board of control of three members, whose appointment and acts were subject to review by the State board of control. Stringent provisions were adopted limiting hours of sale, and liquor was permitted to be sold only in sealed packages not to be broken on the premises. All requests for liquor were to be in writing, signed by the purchaser. Sale was prohibited to intoxicated persons or those known to be of intemperate habits. All applications for liquor were to be forwarded to the State board of control monthly, and that board was to make a quarterly accounting of sales through each county dispensary. The profit from the retail sale of liquor was to be equally divided between the county and the municipality.

1900

IN this year 37 states were under local option laws of one form or another. Local option had occurred in two forms; namely, compulsory local option and voluntary local option.

Compulsory local option was that type of legislation by the state which required communities in the state—either counties, municipalities, or smaller political divisions—periodically to vote on the question of license or no license. Voluntary local option was that type which could be voted upon at any time when certain conditions were met, such as the presentation of a signed petition by a given number of voters requesting that a ballot be conducted as to whether or not licensing of the liquor traffic should be permitted.

1907

GEORGIA passed a state-wide prohibition law, effective January 1, 1908.

Oklahoma was admitted into the Union with a constitutional provision, placing it under state-wide prohibition, on November 17, 1907.

1908

MISSISSIPPI passed a state-wide prohibition law.

1909

TENNESSEE passed a state-wide prohibition law.

1913

CONGRESS enacted the Webb-Kenyon Act, which removed the interstate commerce protection from intoxicating liquors when shipped into a dry state in violation of state laws. This carried no penalty which could be enforced in the Federal courts and it did not prohibit the shipment of liquors through dry states to wet states. Liquor dealers adopted the device of diverting liquors in dry states, billed as through shipments. As the Federal Government was interested principally in the collection of liquor taxes and had slight concern with state prohibition, maintaining no agency directly charged with suppression of such practices, the burden of policing diverted liquor devolved almost entirely upon the dry states. The wet states, which licensed the traffic, were under no obligation and made no effort to confine the liquors sold to their own territory.

1914

WEST VIRGINIA passed a state-wide prohibition law, which was the beginning of prohibitory legislation which swept through many states and which added ten states to the prohibition ranks during the next two years.

1917

THE Reed amendment was added to the Webb-Kenyon Act of 1913. This amendment made it unlawful for any person to order, purchase, transport, or cause intoxicating liquor to be transported in interstate commerce except for medicinal, mechanical, scientific, and sacramental purposes. By this act Congress withdrew the right of a citizen living in a dry state to have liquors shipped to him in interstate commerce for beverage purposes. It also prohibited the use of the mails for circulating liquor advertisements, and provided a penalty for its violation which could be enforced in the Federal courts. This for the first time allowed states desiring it, to become legally bone dry. It was in effect only a short time before the first of the war-time prohibition restrictions became operative.

Continued on page 32

The Prohibition Record of Congress 1917 to 1932

Compiled by the Association Against the Prohibition Amendment

1917

ON August 1 the Senate voted to submit prohibition amendment. Yeas, 65; nays, 20; not voting, 11.

December 17 the House voted to submit prohibition amendment. Yeas, 287; nays, 100; not voting, 40.

1919

ON January 16 Nebraska became thirty-sixth State to ratify.

January 29 the Acting Secretary of State Frank L. Polk proclaimed adoption of eighteenth amendment, to become operative January 16, 1920.

July 22 the House passed the national prohibition act (Volstead law). Yeas, 287; nays, 100; not voting, 40.

September 4 the Senate passed the national prohibition act. No roll call.

October 27 President Wilson vetoed the national prohibition act.

October 27 the House overrode the veto. Yeas, 175; nays, 55; not voting, 198; present, 3.

October 28 the Senate overrode the veto. Yeas, 65; nays, 20; not voting, 11.

1920

ON January 16 the prohibition amendment became operative.

June 7 the Volstead act was upheld by Supreme Court of the United States.

1921

ON June 27 the House voted on the Willis-Campbell "antibeer" bill. Yeas, 251; nays, 92; present, 1; not voting, 86.

August 8 the Senate voted on the Willis-Cambell "antibeer" bill, embodying the Stanley protective "search and seizure" amendment. Yeas, 39; nays, 20; not voting, 37.

November 18 the Senate voted on the Willis-Campbell bill, with Stanley amendment devitalized. Yeas, 56; nays, 22; not voting, 18.

1928

ON February 15 the House voted on Linthicum amendment to prohibition enforcement appropriation forbidding poisoning of industrial alcohol. Yeas, 61; nays, 283; not voting, 89.

1929

ON January 31 the House voted on $24,000,000 prohibition enforcement appropriation. Yeas, 240; nays, 141; not voting, 47.

February 19 the Senate voted on Jones' "Five-and-Ten" law. Yeas, 65; nays, 18; not voting, 12.

February 28 the House voted on Jones' "Five-and-Ten" law. Yeas, 284; nays, 90; not voting, 54.

1930

ON May 14 the Senate voted on Tydings amendment to prohibit use of poison in industrial alcohol. Yeas, 19; nays, 54; not voting, 23.

1931

ON January 22 the Senate voted to consider Howell District of Columbia enforcement bill. Yeas, 39; nays, 29; not voting, 28.

February 2 the Senate voted on Hawes amendment to the Howell bill for removal of restrictions on prescriptions by physicians. Yeas, 25; nays, 45; not voting, 26.

1932

ON March 1 a House petition was signed by 145 members to discharge the judiciary committee from further consideration of the Beck-Linthicum resolution for repeal.

March 14 the House voted on a motion to discharge the judiciary committee from further consideration of the Beck-Linthicum resolution. Yeas, 169; nays, 228; not voting, 18.

March 22 twenty-four senators petitioned judiciary committee to report out a pending resubmission resolution.

April 18 the Senate roll calls on attempts to reduce appropriations for enforcement:

1. Johnson—$10,250,000 to $5,125,000. Yeas, 17; nays, 42; not voting, 37.

2. Tydings—$10,250,000 to $9,000,000. Yeas, 18; nays, 43; not voting 35.

3. Appropriations committee amendment reducing from $11,369,500 (House bill) to $10,250,000. Yeas, 59; nays, 2; not voting, 35.

May 14 the House petition was signed by 145 members to discharge the ways and means committee from further consideration of the Hull-O'Connor beer bill.

May 18 the Senate voted on the Bingham 4 per cent beer amendment to revenue bill. Yeas, 23; nays, 60; not voting, 13.

May 18 the Senate voted on the Tydings amendment legalizing 2.75 per cent beer. Yeas, 24; nays, 61; not voting, 11.

May 23 the House voted on a motion to discharge the committee on Hull-O'Connor beer bill. Yeas, 169; nays, 228; present, 1; not voting, 34.

May 25 the Senate voted on the Bingham amendment to legalize and tax 2.75 per cent beer. Yeas, 26; nays, 55; not voting, 15.

June 15 the Republican national convention, Chicago,

Continued on page 32

Production of Malt Beverages in the U. S., their Revenue Yield and Materials used in their Manufacture prior to the Adoption of the Eighteenth Amendment

Federal revenue statistics in regard to fermented liquors (beer, ale, and porter)

[Sources of production figures and revenue receipts: Annual reports, Secretary of the Treasury]

Fiscal year ending June 30—	Number of breweries	Barrels of beer consumed and taxed	Per capita consumption in gallons[1] For wet States only	Per capita consumption in gallons[1] For United States as a whole	Rate of tax per barrel	Revenue collected from barrel tax	Total revenue from barrel tax and brewer's and dealer's licenses
1901	1,771	40,517,078	16.70	16.15	$2.00	$74,956,594	$75,669,908
1902	1,807	44,478,837	17.95	17.37	1.60	71,166,712	71,988,902
1903	1,733	46,650,730	18.46	17.85	1.00	46,654,823	47,547,856
1904	1,741	48,208,133	18.70	18.09	1.00	48,208,133	49,083,459
1905	1,847	49,459,540	18.82	18.22	1.00	49,459,540	50,360,553
1906	1,747	54,651,637	20.40	19.73	1.00	54,651,637	55,641,859
1907	1,644	58,546,111	21.45	20.75	1.00	58,546,111	59,567,818
1908	1,720	58,747,680	22.17	20.44	1.00	58,747,680	59,807,617
1909	1,622	56,303,497	21.92	19.24	1.00	56,303,497	57,456,411
1910	1,568	59,485,117	23.40	19.98	1.00	59,485,117	60,572,289
1911	1,524	63,216,851	24.48	20.91	1.00	63,216,851	64,367,778
1912	1,506	62,108,633	23.67	20.24	1.00	62,108,633	63,268,771
1913	1,462	65,245,544	24.48	20.95	1.00	65,245,544	66,266,990
1914	1,392	66,105,455	24.42	20.92	1.00	66,105,445	67,081,512
1915	1,372	59,746,701	22.79	18.65	[2] 1.50	78,460,381	79,328,947
1916	1,332	58,564,508	24.68	18.01	1.50	87,875,672	88,771,104
1917	1,217	60,729,509	26.46	18.42	1.50	91,094,678	91,897,194
1918[3]	1,092	50,174,794	24.20	15.01	[4] 3.00	124,264,754	126,285,858
1919[3]	669	27,712,648	16.22	8.18	[5] 6.00	116,184,344	117,839,602
1920[6]	583	9,231,280	5.31	2.68	6.00	41,743,891	41,965,874

[1] In estimating per capita consumption annual population figures as estimated by the Bureau of the Census for continental United States have been used. "Wet" States include only those States having no State-wide prohibition laws in effect, regardless of the fact that many of those States had local-option laws.

[2] Increase in tax of 50 cents per barrel accounted for $18,713,679.88 from date of imposition, Oct. 22, 1914, to end of fiscal year.

[3] By the President's proclamation of Dec. 8, 1917, under the food control act, the amount of food or feed material which might be used in the production of fermented liquor was limited to 70 per cent of the normal consumption for this purpose, by the President's proclamation of Sept. 16, 1918, the use of such materials in the production of fermented liquors was prohibited on and after Dec. 1, 1918.

[4] Collections at $1.50 per barrel to Oct. 3, 1917, $26,259,632.45. Collections at $3 per barrel from Oct. 3, 1917, to end of fiscal year, $98,005,121.20.

[5] Collections at $3 per barrel to Feb. 24, 1919, $64,374,610.47. Collections at $6 per barrel from Feb. 25, 1919, to end of fiscal year, $51,809,733.71.

[6] The act of Nov. 21, 1918, prohibited the manufacture of intoxicating fermented liquors on and after May 1, 1919. The Bureau of Internal Revenue construed this to mean liquors of an alcoholic content in excess of one-half of 1 per cent by weight or by volume. However, under the decision in United States v. Standard Brewery (Inc.) (251 U. S. 210) and other decisions, it appears that 2.75 per cent liquor by weight was manufactured up until the act of Oct. 28, 1919, defining "intoxicating liquor" as that containing more than one-half of 1 per cent alcohol. (National prohibition act effective Jan. 16, 1920.)

Materials used in the production of fermented liquor, fiscal years 1915 to 1920, inclusive

[Statement in pounds]

Year	Malt	Rice	Corn and corn products	Hops	Sugar and sirup syrup	Other grains[1]	Other materials[2]
1915	2,141,723,104	167,750,177	604,890,901	38,839,294	109,630,425	145,697,970	68,880,530
1916	1,961,254,980	141,349,292	650,745,703	37,451,610	77,068,573	113,712,782	24,756,974
1917	2,770,964,606	125,632,269	666,401,619	41,958,753	115,838,410	204,089,800	17,573,893
1918	1,227,301,264	78,942,550	459,842,338	33,481,415	64,930,019	68,693,042	5,491,879
1919	854,329,231	17,356,242	112,969,071	13,924,650	54,502,845	25,780,394	4,803,123
1920	292,423,712	9,357,668	48,551,910	6,440,894	23,354,072	483,477	4,822,391

[1] "Other grains" include grits, wheat, bran, and barley.

[2] "Other materials" include acids, extracts, salt, yeast, etc.

The Collier Beer Bill

Passes The House

After two days of lively debate the House, on December 21, 1932, passed the Collier Beer bill by a vote of 230 to 165, after rejecting all amendments offered. On the roll call 133 Democrats, 96 Republicans and 1 Farmer-Labor voted for the bill, while 65 Democrats and 100 Republicans voted against it.

In the Senate the bill went first to the Committee on the Judiciary after which it will go to the Committee on Finance so both its legal and revenue raising features may be passed upon.

What the Collier Bill provides

THE provisions of the Collier beer bill, as reported by the House Committee on Ways and Means on December 16, 1932, are set forth in the following official synopsis given out by the Committee:

Section 1 (a) provides for a tax of $5 per barrel on beer, lager beer, ale, porter, and other similar fermented liquor, containing one-half of 1 per cent or more of alcohol by volume and not more than 3.2 per cent of alcohol by weight, in lieu of the present tax of $6 per barrel. The tax is to be collected under the provisions of existing laws relating to such liquors. The present tax of $6 per barrel on such liquors containing more than 3.2 per cent of alcohol by weight and the present tax of 1¼ cents per gallon on cereal beverages containing less than one-half of 1 per cent of alcohol by volume are not disturbed by the subsection.

Section 1 (b) increases the existing occupational taxes of $50 (in the case of brewers manufacturing less than 500 barrels a year) and $100 (in the case of brewers manufacturing 500 barrels a year or more) to $1,000 in both cases. The present tax does not apply to brewers manufacturing only liquors containing less than one-half of 1 per cent of alcohol, nor does this new occupational tax apply to them.

Section 2 accomplishes the necessary technical amendment of the national prohibition act, as amended and supplemented, to exempt the liquors provided for in the bill from the prohibitions in that act.

Section 3 (a) amends section 1 of Title II of the national prohibition act, as amended and supplemented, to exempt the liquors to which the bill applies from the definition of intoxicating liquors in that act; permits such beverages to be called "beer," "ale," or "porter"; makes certain that such beverages may be sold in bottles, casks, barrels, kegs, or other containers; and gives the authority to the administrative officers to prescribe the manner in which such bottles, casks, barrels, kegs, or other containers must be sealed and labeled.

Section 3 (b) amends the special Federal prohibition laws applying in Alaska, Hawaii, and Puerto Rico so that such laws will not prohibit the liquors to which the bill applies. This provision does not interfere with the power of local legislative authority to enact laws continuing their present prohibition of, or creating new ones applying to, the liquors to which the bill applies.

Section 4 makes it necessary for the manufacturer of liquors to which the bill applies to qualify as a brewer under the internal revenue laws and to secure a permit under the prohibition laws before engaging in the business, and provides for penalties for manufacturing without a permit or in violation of one. No permit is to be issued for manufacture in a State, Territory, the District of Columbia, or in any political subdivision of any of them, if the law of the place prohibits such manufacture. Neither this section or section 1 of the bill repeals the existing tax of $50 on wholesale and the tax of $20 on retail liquor dealers.

Section 5 makes certain that the provisions of this bill taxing the liquor to which the bill applies and providing for permits to manufacture such liquor shall not have the effect of legalizing the sale of liquors containing more than 3.2 per cent of alcohol by weight.

Sections 6 and 7 make certain that the protection furnished the "dry" States and Territories against transportation of intoxicants in interstate commerce into them by the Webb-Kenyon Act and the Reed Bone Dry Act shall continue with respect to liquors to which the bill applies in the event that such States or Territories do not choose to permit the sale of such liquors within their borders.

Section 8 makes certain that penalties and obligations incurred, rights accrued, and seizures and forfeitures made, prior to the effective date of the bill, shall be saved.

Section 9 makes the bill effective 30 days after its enactment, but allows the issuance of permits under section 4 immediately.

Section 10 is the usual separability provision applying in any case in which the application of the act is held unconstitutional.

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Should the Sale of Bee

Opposing Views on a Be Tax a

Legalized Beer and th Return

Intoxicating Effect o 2 pe

Majority Report

House Committee on Ways and Means,

U. S. Representative Collier

THE Committee on Ways and Means, to whom was referred the bill (H. R. 13742) to provide revenue by the taxation of certain non-intoxicating liquor, and for other purposes, having had the same under consideration, report it back to the House without amendment and recommend that the bill do pass.

That there has been a considerable change of sentiment on the part of a majority of the people of this country with reference to the question of prohibition since the adoption of the eighteenth amendment can hardly be controverted. Recognition was given to this sentiment in the platforms of the two great political parties in the last election. Whether the eighteenth amendment is to be repealed or changed is yet to be determined and will, of course, require the favorable action of two-thirds of the membership of both Houses of Congress and of the legislatures or conventions of three-fourths of the States. Pending the determination of this question, the Congress has the power to make such changes in the national prohibition act as it may see fit, keeping in mind the letter and spirit of the amendment. In other words, it may permit the manufacture and sale of any alcoholic liquor which may reasonably be said to be nonintoxicating in fact.

Aside from responding to the popular demand for modification of the national prohibition act within constitutional limits, your committee recognizes in the legalization of the manufacture of a palatable nonintoxicating beer a source of revenue which in the years prior to 1920 was a very fruitful one. The Congress has been advised by the President of the present state of the Federal revenues. In spite of the imposition of many new taxes at the last session of Congress and the increase of existing levies, it has been found that the Budget is still far short of being balanced not only for the fiscal year 1933 but for 1934 as well. The Congress is faced with the task of either finding new sources of taxation or increasing existing levies, and your committee feels that the tax on nonintoxicating beer, constituting a new source, will be a large factor in making up the necessary revenue.

The bill provides for a manufacturers' excise tax of $5 per barrel on all beer, lager beer, ale, porter, or other similar fermented liquor, containing one-half of 1 per cent or more of alcohol by volume, and not more than 3.2 per cent of alcohol by weight, which is equivalent to 4 per cent by volume. The Treasury Department estimated that a tax of $5 per barrel would produce a revenue of from $125,000,000 to $150,000,000 in the fiscal year ending June 30, 1934. These figures were based upon a probable consumption of from 25,000,000 to 30,000,000 barrels of 2.75 per cent beer in the States in which its sale would be legal upon the enactment of this bill or in which its sale may reasonably be expected to be made legal in the near future. These States have a total population (1930) of 73,521,000. The beer provided for in the bill is of a slightly higher alcoholic content, and being more palatable, would be consumed more generally than 2.75 beer.

It must be remembered that whereas in 1914 there were 1,392 breweries in this country producing over 66,000,000 barrels of tax-paid beer, there are today but 164 plants equipped to produce the beverage taxed by this bill. Naturally, it will take some time for the breweries to be able to supply the probable demand. The per capita consumption of beer in the United States in 1914 was 20.92 gallons, but at that time its sale was not legal in all States. With respect to the total population of the States where beer was legally sold, the per capita consumption was 24.42 gallons per annum. If this consumption were to obtain in the States where beer can now be sold or where its sale may be expected to be made legal in the near future, there would be a demand for approximately 60,000,000 barrels per annum. At a rate of $5 per barrel, the tax on this amount of consumption would produce a revenue of $300,000,000 per year.

There is a definite relationship between tax rates and the consumption of beer, and consumption is naturally affected by economic conditions, also. Your committee feels that the rate of $5 per barrel fixed by the bill is a reasonable one and that it will be productive of the greatest amount of revenue. This view is shared by the Treasury Department. It must be kept in mind that the States and municipalities have, in the past, levied beer taxes, and the Federal rate should not be placed so high as to make it impossible for them to continue this policy without placing an unreasonable burden upon the sale of nonintoxicating beer. Representatives of the brewery industry informed the committee that they could produce a barrel of beer and deliver it at the point of consumption for approximately $6.26, exclusive of Federal, State, and local taxes. The expenses of bottling is said to be about $3 per barrel, including labor, caps, bottles, cases, etc. A barrel of beer will produce four hundred and ninety-six 8-ounce glasses at a cost of approximately 1¼ cents per glass. The proposed Federal tax of $5 per barrel would add 1 cent to the cost, and State and local taxes of the same total still another cent. This would allow the re-

Continued on page 12

Beer be Legalized?

Tax and a Balanced Budget

Return of the Saloon

3.2 per cent Beer

CON

Minority Report I

House Committee on Ways and Means,

U. S. Representatives Hawley,

Timberlake and Crowther

AT the beginning of this session of Congress, in company with all my colleagues, I stood on the floor of the House and took the oath to support the Constitution of the United States, as required by the article 6 of the Constitution. I qoute from that oath:

"I do solemnly swear that I will support and defend the Constitution of the United States * * * bear true faith and allegiance to the same * * * without any mental reservation or purpose of evasion."

Article 18 of the amendments provides that—
"The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all Territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited."

I listened with careful attention to the evidence submitted to the comittee during the hearings preceding the report of the pending bill, H. R. 13742. My observation covers a period prior to prohibition as well as under prohibition. I am covinced by the evidence submitted at the hearing and by observation and evidence extending over a period of a lifetime that beer and other liquors described in the bill are intoxicating. They were intoxicating prior to prohibition. A legislative declaration to the contrary does not overcome that fact, and if I were to support this legislation it would require a "mental reservation" on my part and a "purpose of evasion" of the eighteenth article of amendment to the Constitution.

On the part of the Federal Government, this bill proposes that the country enter upon a new era in the manufacture, distribution, sale, and consumption of intoxicants. It provides for the reestablishment of 90 per cent in volume of the liquor traffic on the basis of the amount prior to prohibition.

The brewing interests, realizing the influence that the great fundamental law of the land and the strength of the purpose of the people for its observance, attempted to avert opposition to this bill by constant reiteration of the allegation that malt beverages of the strength proposed were not intoxicating in fact, as the basis and justification of their sale.

The bill originally proposed that the alcoholic content should be 2.75 per cent by weight, or 3.4375 per cent by volume. The majority of the committee increased the alcoholic content to 3.2 per cent by weight, or 4 per cent by volume, on the ground that this would increase the attractiveness of the beverage and increase its sale.

The question of the influence of alcohol on the human system has an added importance, owing to the development by National, State, and local funds of great highways and other improved roads, over which are operated some 26,000,000 motor vehicles. An individual may not be visibly intoxicated to the extent that he may be identified as a "drunk," but his muscular reactions and mental activities may be so depressed that he is not able to respond as quickly as when normal. Detailed evidence of this fact was submitted to the committee. The lives and property of people who use the highways are subjected to constant risk and the traffic problem is one of the most important in the United States, and anything that will increase its dangers is against the public interests. During the hearings the brewing interests indicated their desire to secure a widespread distribution and opportunity of sale for beer and other beverages provided in the bill. On the allegation that they were not intoxicating, it was suggested that beer be sold at soda fountains, drug stores, cafeterias, hotels, restaurants, clubs, and also at wayside eating places, filling stations, and other places along the highways, or, to put it in other words, it should be sold as freely as soda water, ginger ale, and other soft drinks. The wayside sales would become a direct and continuing menace to vehicular traffic. The sale in drug stores, soda fountains, and other places where soft drinks are dispensed to the multitude, would bring beer within the reach of everyone, including the very young, and be a constant temptation to them to drink this toxic and habit-forming beverage. That which might not intoxicate people of mature years will certainly intoxicate the young. The motion to restrict the sale to clubs, restaurants, hotels, etc., was voted down in the committee.

If it should be argued that the matter of distribution can be controlled by the States, let me call your attention to the fact that this bill expresses the attitude of the Federal Government toward the matter and that the refusal of many of the States to participate in enforcement indicates that from them at least no help can be expected.

During the hearings, the brewing interests stated they had no desire for the return of the saloon, and referred to the planks in the party platforms; but a motion to prevent the return of the saloon, by refusing to permit beer to be sold in such places, was voted down in the committee.

According to an estimate called to the attention of the committee, the consumption of alcohol liquors in the

Continued on page 13

Majority Report *Cont'd*

tailer a margin of approximately 1¼ cents per glass of the size mentioned.

To make legal the sale of such fermented liquor, the bill amends the national prohibition act, as amended and supplemented, by providing that the terms "liquor," intoxicating liquor," "beer," "ale," and "porter" as used in that act shall not include beer, ale, porter, or similar fermented liquor containing 3.2 per cent or less of alcohol by weight, or 4 per cent of alcohol by volume. Your committee believes that the proposed legislation is not in conflict with the eighteenth amendment inasmuch as beer of an alcoholic content of 3.2 per cent by weight is, on eminent authority, said to be nonintoxicating in fact. The present limitation of one-half of 1 per cent was never intended to be a line of demarcation between liquor which was in fact intoxicating and that which was not, and the mere fact that the Supreme Court has sustained the power of Congress to fix that maximum percentage of alcoholic content does not mean that it would not sustain a higher alcoholic content as nonintoxicating in fact.

Beer of 3.2 per cent by weight is and always has been considered a light beer; that containing appreciably less than that percentage of alcohol is much less palatable and probably would not be consumed in any great quantity. The alcohol in 3.2 per cent beer is so diluted that it would require considerable effort on the part of an average person to drink enough to become drunk. Moreover, in determining what is in fact intoxicating, it would not be proper to use either an inveterate drinker or one easily susceptible to intoxication as a criterion. Also, it should be assumed that the beer is to be drunk as it is generally drunk, that is, in limited quantities and with food. It is common knowledge that the effect of the consumption of alcoholic liquor on an empty stomach is much different than when taken with or after a meal. The presence of solids in an alcoholic beverage, as in beer, or the presence of food in the stomach, hold the alcohol back from its rapid passage through the stomach wall into the blood stream and allow some of it to be absorbed through the intestines. In this way, the rate of absorption into the blood is slowed down and the alcohol is allowed to pass off before there is any large accumulation in the system.

It is estimated that the legalization of beer of 3.2 per cent of alcohol by weight will give employment to approximately 75,000 men in the breweries and about 225,000 men in its retail distribution. In addition, there will be a very large number of men indirectly employed through the demands made by the brewing industry upon other industries. Reference has already been made to the necessity for certain farm products in the manuafcture of malt beverages. The expansion of production in the brewing industry would require an estimate capital expenditure of $360,000,000 within the next year for rehabilitation and modernization of plants, and the provision for retail distribution would require a large outlay also. The money spent for production and distribution would give employment to men in many lines of business. There would be a demand for bottles, barrels, hoops, crowns, labels, cases, glassware, refrigerating equipment, machinery, etc. The railroads and truck lines would be benefited by increased tonnage. The psychological effect of the stimulation of these industries upon business in general would no doubt be far reaching. According to a statement made before your committee by a representative of the committee on industrial rehabilitation, three men are put to work in other lines of business for each man put to work in the capital-goods industries.

It is difficult to estimate the amount of beer now being produced in the home and in illicit breweries. However, according to the highest authority in the Federal prohibition department, more than 20,000,000 barrels of high-powered illicit beer of an alcoholic content of some 6 per cent were produced and consumed in this country in 1931 without payment of any tax. This beer is made unscientifically and under insanitary conditions, and it has a much higher alcoholic content than the beverage herein proposed. The alcoholic content of the illicit beer cannot be limited as it can in high-class breweries having proper refrigerating apparatus and with governmental inspection and regulation. Bootleg beer is offered for sale at prices ranging from $40 to $50 per barrel, tax free. The legalization of good, wholesome, palatable, nonintoxicating beer will go far toward stamping out this illegal traffic in beer of a high alcoholic content by making it unprofitable in competition with nonintoxicating tax-paid beer at one-third the price, and will enable the Federal Government to collect a large amount of revenue which it now loses.

This bill does not impair or invalidate the State laws governing beverages with an alcoholic content of more than one-half of 1 per cent, but, on the other hand, specifically extends to the so-called dry States the same protection afforded them by the Webb-Kenyon Act and the Reed bone-dry law against interstate shipments of alcoholic beverages prohibited under their laws. A fine of not more than $1,000 or imprisonment for not more than six months, or both, is provided for violation of this prohibition.—*Extracts, see 4, p. 32.*

U. S. Representative Hull

I AM for beer brewed from the products of the American farm. There is no industry in the United States of America suffering so greatly from continued depression as the agricultural industry of the country.

On January 16, 1920, the manufacture of the alcohol and the brewing of the beer of the Nation from grain produced by the farmers was stopped.

By closing down the distilleries, a cash market for 40,000,000 bushels of corn and small grain was destroyed. By closing the breweries, an average of 60,000,000 bushels of barley and the hops necessary to make beer was taken away from the farmers growing barley and hops. Consequently, this made a total of 100,000,000 bushels of grain per year that was not used for the purpose of the manufacture of the alcohol and beer of the country.

In consequence of the closing of the distilleries in the western part of the country, new distilleries were built on the Atlantic coast and permits were given by the prohibition enforcement office to manufacture alcohol out of blackstrap molasses imported from Cuba.

Continued on page 14

CON

Minority Report I *Cont'd*

United States is approximately but one-third of what it was prior to prohibition.

The public health under prohibition has materially improved and, according to the information furnished, reached a remarkable degree in the last fiscal year.

Some urged upon the committee that bootlegging, racketeering, speak-easies, blind tigers, illicit distilling and brewing were the result of prohibition. This cannot be true, because such operations were carried on for a long period of years before prohibition. Terms have been altered to some extent but the operations are similar.

The estimates of reemployment submitted to the committee by proponents of the bill varied, but altogether were a comparatively small number, without taking into consideration the loss of labor to persons now working in other industries whose sales would diminish because the money theretofore expended in purchases of their products would go to the purchase of malt liquors.

The income of the people generally of the United States will not be increased by the sale of malt liquors. Purchases of such beverages must be paid for from the family income. Other purchases must be reduced in amount, since incomes cannot be expended twice.

It is alleged that the revenue to be derived from this measure will tend to balance the Budget. The brewing interests indicated that at the end of two years they will be manufacturing 40,000,000 barrels of beer of 31 gallons each, if the taste for this beverage is recreated, which at $5 a barrel will bring $200,000,000 of revenue to the Government, to which they added an estimate of income from the so-called allied industries; but they failed to deduct therefrom the losses that will be incident to other businesses from which revenue is now being derived. This would materially reduce the supposed income. I do not believe the Government should obtain revenues through the violation of the Constitution and by legalization of beverages which produce intoxication. Beer was intoxicating before prohibition. Its constituent elements remain the same, and will undoubtedly produce intoxication again. I believe the Budget should be balanced, but that legitimate sources of revenue legal under the Constitution should furnish the necessary amount.

From the above, as well as from many other factors I shall not take occasion to name, it appears that we are facing a wide-open situation in the matter of the dispensation of malt liquors. Some things were said during the hearings by the brewing interests concerning the protection of the dry States from the entrance of intoxicants within their borders from wet States. With our motor system of transportation, with tens of thousands of automobiles moving continually back and forth, with trucks on the highways carrying freight brought from many sources and distributed to many destinations, with increased traffic in the air, I came to the conclusion that a dry State surrounded by wet States or adjacent to one or more wet States would find itself subject to an impossible task in maintaining its dry status.

My feeling, after listening to many discussions and the recent hearings, is that the liquor interests are planning, by this measure to secure again the existence of 90 per cent by volume of the liquor traffic, the repeal of the eighteenth amendment, and the return again of the sale of all intoxicating liquors with attendant and acknowledged evils. It seems to me that if we adopt the policy contained in this bill the return of the saloon is inevitable.—*Extracts, see 4, p. 32.*

Minority Report II

House Committee on Ways and Means

U. S. Representatives, Ragon,

Sanders and Cooper

We have heard and read all of the testimony before the Ways and Means Committee relating to the proposed legislation on beer. Taking all of this testimony as a whole and duly considering same, we are of the opinion that the proposed bill is violative of the Constitution of the United States, which in this regard reads as follows:

"After one year from the ratification of this article the manufacture, sale or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited."

As Members of Congress we took the following oath:

"I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I will take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

Therefore we cannot under our oath support this legislation.

We further submit that the proposed bill is not only in violation of the Constitution of the United States but of the Democratic platform which calls for the "sale of beer and other beverages of such alcoholic content as is permissible under the Constitution." The above quotation from the platform shows that it was not the intent of those framing the platform to declare for legislation which would be violative of the Constitution.

The very clear and definite proof before the Ways and Means Committee during the extended hearings on this bill shows conclusively that beer of alcoholic content of 3.2 which means beer of 4 per cent alcohol by volume, is intoxicating in fact and is the same type of beer which was generally produced and sold prior to the Volstead Act. The sale of such beer because of its alcoholic content is not permissible under the Constitution.—*Extracts, see 4, p. 32.*

PRO

Hull *Cont'd*

In 1914, 188,000,000 proof gallons of alcohol was made from corn. In 1929, after the closing of the western distilleries, 186,000,000 proof gallons of alcohol was made from blackstrap molasses. Consequently, the amount of gallons of alcohol has not decreased to any great extent, but the loss of the sale of 120,000,000 bushels of grain, the product of the American farm, is the result.

I believe this is a great mistake; I believe that the Congress should immediately rectify this error and give back to the farmers of the Nation this market that is rightfully theirs.

I am making this effort in favor of what I think means more to the future prosperity of the country than any other kind of legislation that can be passed.

If we can bring about a law whereby the farmer will have an output for his products and he can sell them, he then will begin to come out of the depression that he is in at the present time. I believe that in advocating before the House of Representatives a bill for the brewing of beer I will be aiding agriculture more than by proposing any other one piece of legislation that can be passed.

In my judgment, the brewing of beer which is non-intoxicating will bring about the future sale of 120,000,000 bushels of barley per year. Take 120,000,000 bushels of barley off the market and in my judgment you will advance the average price of all grains 15 cents per bushel.

In doing this you will stimulate the farm industry; you will lighten the burdens of the farmer to the extent that he will know that he will have a cash market at least for the amount of barley that the breweries will use.

The bill that I have introduced provides for increasing the permissible alcoholic content of beer, ale, or porter to 3.2 per cent by weight, and to provide means by which all such beer, ale, or porter shall be made of products of American farms.

It is my contention that a beer containing 3.2 per cent alcohol by weight is not intoxicating in fact; it is the same beer that is brewed in Sweden and Scandinavian countries, and all of their literature contends that it is non-intoxicating liquor.

Proofs have been made by scientists and by those in authority that an adult cannot be intoxicated by the drinking of beer of an alcoholic content of 3.2 per cent by weight, because the stomach will not hold enough beer to bring about intoxication in fact.

In order to make this proof conclusive in my own mind —and I am not a drinking man—I went to the Muchin brewery in Stockholm at 9 o'clock in the morning, before taking any liquid or substance in my stomach, and drank 4 pints of this beer, under the supervision of a doctor and a chemist.

It did not affect me mentally or physically, and there were no bad effects. So I can honestly come before the Congress of the United States and make an affidavit that it is my judgment that beer containing 3.2 per cent alcohol by weight will not intoxicate.

I have previously stated upon the floor of the House that 3 per cent beer was the same as dissolving 3 gallons of alcohol in 97 gallons of water; but I now find that medicinal research has determined that beer has still another advantage over this argument. An extract from Mellanby's article in Medical Research, 1919, shows an experiment in which wiskey was diluted down to the strength of stout or ale so that each contained 5.5 per cent alcohol by volume, and there was found a considerable difference between the rate of absorption of alcohol into the blood stream in the two cases.

In the case of diluted whiskey, the maximum concentration was reached in one and one-fourth hours after the experiment was started.

In the case of stout the maximum was reached only after two hours.

The conclusion was that the stout contained something which tended to delay absorption, and hence had a less intoxicating effect than diluted whisky of the same alcoholic content, which was absorbed by the blood stream more rapidly. I contend that this is a conclusive reason why we need not fear to accept the brewing of beer with an alcoholic content of 3.2 per cent by weight, as it will not intoxicate.

There is some discussion that Canadian beer is much stronger in alcoholic content than American beer. In order that you may thoroughly understand the difference in measuring proof spirits from the English system and the American system, it is as follows:

Four per cent proof spirits by measure under the English system equal 1.82 per cent by weight or 2.29 per cent by volume, our system. Hence Canadian beer, sometimes mentioned as containing 9 per cent proof spirits, in reality measures about 5 per cent by volume under our system of calculation.

I give you that explanation so that you may benefit and not be deceived by misstatements that may come to you.

A great many Congressmen and the public at large will be confused, I am sure, by the fact that I am introducing this bill on a basis of weight instead of volume to determine the alcoholic content of beer. A great many will say that it does not contain enough alcohol to suit the taste of the American consumer, but, so the public may not be deceived by my introduction of the alcohol content of beer by weight, I want to quote these figures, so that there can be no misunderstanding in reference to it, and I believe this is the proper way to write the bill so that there can be no discrimination or any misunderstanding in the qualifications as to the alcoholic content. I quote the alcohol in beer by weight and volume so that it will be perfectly plain:

2.75 per cent by weight equals 3.46 per cent by volume.

3 per cent by weight equals 3.78 per cent by volume.

3.25 per cent by weight equals 4.09 per cent by volume.

3.50 per cent by weight equals 4.41 per cent by volume.

To change from weight to volume, multiply by 1.26 or divide by 0.7936.

To change from volume into weight, multiply by 0.7936 or divide by 1.26.

3.2 per cent by weight is equal to 4 per cent by volume.

In order that you will also understand the average alcoholic content in pre-war American beer, which averaged from 3.5 per cent to 4 per cent of alcohol, I quote as follows:

Continued on page 16

CON

Minority Report III

House Committee on Ways and Means

U. S. Representative Treadway

At the opening of the hearing on H. R. 13312 (the basis for H. R. 13742) I inquired whether the bill was to be considered by itself or as a part of a general revenue bill. The chairman stated it would be taken up as a separate measure.

Throughout the hearings it was very apparent that the proponents of the bill wanted beer, regardless of the amount of revenue it would produce, and that the opponents of the bill did not want beer, in spite of its revenue possibilities. In their arguments the opponents laid more stress on the eighteenth amendment than on the legalizing of beer. On numerous occasions I stated to witnesses that, as a member of the Ways and Means Committee, my interest in the bill had to do with the raising of revenue.

The proponents of the bill estimated that it would produce about $200,000,000 of revenue annually. The opponents submitted no estimates of possible revenue. In fact, the only specific testimony on the revenue feature was given by the Secretary of the Treasury, who fixed the amount at from $125,000,000 to $150,000,000 for the fiscal year 1934.

The Ways and Means Committee is the revenue-raising committee of the House. It has jurisdiction of "such measures as purport to raise revenue and of the bonded debt of the United States." Obviously, the reference of the beer bill to the Ways and Means Committee was a subterfuge to secure a favorable report from some committee, as it had previously been demonstrated that such a report could not be obtained from the Judiciary Committee which has jurisdiction over prohibition measures.

Personally, I recognize that real beer, say, of 3.2 per cent of alcohol by weight, manufactured legally and under sanitary conditions, is far preferable to hootch and home-brew. For this reason I can consistently vote for the pending measure, but as a member of the Ways and Means Committee, dealing with the revenues of the country, I could not vote to report a measure in which the revenue element was secondary to the legalizing of the manufacture and sale of 3.2 per cent beer. For 16 years I have been a member of the Ways and Means Committee, and never in that time has such a subterfuge been resorted to nor has a revenue measure been taken up piecemeal.

The committee spent the greater part of the last session in an effort to secure sufficient revenue to balance the Budget. It became convinced that the best and perhaps the only method of obtaining this revenue was through a manufacturers excise tax, and it favorably reported such a bill to the House. The House, however, did not see fit to adopt the bill and it was then necessary for the committee to draft a makeshift measure which, with various changes, became law.

Owing to unforeseen circumstances and the continued depression the 1932 revenue law has not produced the anticipated revenue. The Secretary of the Treasury in his report estimates that the revenue in the fiscal year 1934 will be $2,949,000,000, including $329,000,000 of foreign payments. The President has submitted to Congress estimates of appropriations for the fiscal year 1934 amounting to $3,256,000,000, exclusive of statutory debt retirement. Accordingly, the present estimated deficit for 1934 will be $307,000,000, and this figure will probably be increased by the failure of certain foreign obligations to be paid in full.

In view of this situation, I feel that it is the duty of the Ways and Means Committee not to confine itself to advocating a beer bill which would raise only a portion of the funds needed by the Government, but to devote its energiees and attention to drafting a measure which will produce sufficient revenue so that the new administration may start with an evenly balanced slate.

The method of procedure is perfectly simple. The so-called manufacturers' excise tax which, with certain amendments, was agreed upon by the committee during the last session can be used as the basis of a measure to restore a proper balance between expenditures and receipts. The tax proposed in the bill to legalize beer, if the House so voted, could be one of the items of such a measure.

If the committee and the House will adopt such a program, we will be performing our duty, acting openly, securing the necessary revenue, and starting the new administration without financial embarrassment.—*Extracts, see 4, p. 32.*

Mrs. William Tilton

It is time that our country and Congress realized that these drives for beer and repeal are not primarily prohibition drives. They would never had made the headway that they have were the motive merely return of liquor. These drives are a section of the country, the moneyed East, striking to maintain its political supremacy against the power of the coming South and growing West.

Precisely as the slave power, which dominated our country for years, when it saw its political control waning, struck to keep its power intact by forcing slavery North and West, so today the moneyed East, frenzied and demoralized, strikes to maintain its political supremacy by trying to get rid of every form of prohibition—because the big moneybags have convinced themselves that prohibition, by breaking up machine control in the East, throws political power to the West and South. In short, this prohibition fight has assumed such vast proportion because underneath it is a fight against the animal that Wall Street hates most, the sons of the wild jackasses. Wall Street is convinced that those animals will not have the power they have today in the United States Senate if prohibition is removed; "got out of politics" is the expression used in the East. This is a fight of section against section.

This being the case, it is absurd for States like Oregon, Colorado, and North Dakota to vote wet, because by so doing they are really working to denude themselves of

Continued on page 17

Hull *Cont'd*

German beers range from 2 per cent to 4 per cent alcohol by volume, British ales from 2 per cent to 8 per cent alcohol by volume. It is well understood by the brewers that 4 per cent beer by volume is high enough in alcoholic content and should not go beyond that amount.

The reason that I make this explanation is because a great many misquotations are made as to the alcoholic content of beer made previous to the war being 7 per cent, 8 per cent, or 9 per cent alcohol by volume. The highest alcoholic content of beer of any kind is contained in the imported beers from Germany and England, which average about 5 per cent by volume, and the only reason that they are made at 5 per cent by volume is because alcohol acts as a preservative in heavy British ales and in heavy German beers and makes it necessary on account of the lack of refrigeration in those countries to keep the alcoholic content to this point.

As far back as 1848 lager beer in this country was brewed by the American brewers, and with the development of pasteurization and refrigeration it was possible for them to turn out a light sparkling lager with a fine hop flavor. This soon became so popular that the ale trade of the United States shrank into insignificance, and by 1914 the lager-beer brewers had captured 98 per cent of the malt-beverage business. It was their aim, and is now, to produce an alcoholic beverage with the lowest alcoholic content without impairing its wholesome and palatable qualities.

No brewer in this country desires to make a beer that will intoxicate, but there must be enough alcohol left in the beer to make it satisfactory to the consumer and to retain the qualities of a good wholesome food and beverage, and it is my contention that if you will enact into law the bill that I have introduced, this march toward practical temperance will go on and the people of the United States will be satisfied with a good, clean malt beverage instead of poisonous bootleg intoxicating liquors of all descriptions.

The prohibition law went into effect in the United States January 16, 1920. Previous to that time the manufacture of spirits, wine, and beer were under a Government control. Since the prohibition law went into effect all of these Government agencies, which are law-abiding, have been dispensed with, and the process of distillation and brewing have been carried on surreptitiously by criminals and the worst element of citizenship that we have in these United States.

It has been an easy matter for them to make a product that would intoxicate, to hide it away, to sell it, without the Government's permission, and this has done much to corrupt the moral fiber of our citizens.

The great difficulty today in enforcing the Volstead Act is the profit gained by the bootlegger by manufacturing a gallon of alcohol for 25 cents out of corn sugar without any expensive distilling apparatus and selling it for $6 a gallon, or in manufacturing beer for $3.50 a barrel and selling it for $55 a barrel. This makes the business so profitable that most any man out of work is willing to take a chance.

If the Congress of the United States will pass a law under which beer can be made containing 3.2 per cent alcohol by weight, you will take the profit out of the bootlegger's business and destroy him, and in no other manner can you possibly discontinue his activities.

I am familiar with the liquor business; I know its iniquities. I also know that this is a business that meets a popular demand and one that can be easily sold to the public, and therefore I can see no other conclusion that this country can come to eventually other than to handle this business in a legal and practical way. I contend that this is the best way to start by allowing the public the privilege of buying a mild, wholesome, fermented beverage. If this is done it will eliminate the sale of spurious alcohol to a large extent; it will give an opportunity for those who desire to indulge in a mild beverage at meals to acquire a beer for a beverage rather than alcohol reduced with water and flavored.

I contend that this country now is saturated with a beverage that is intoxicating, but by adopting this measure, which, of course, is an experiment, you will pave the way for future legislation that may bring about sobriety in the country.

It is my honest and sincere belief that this bill will in no way conflict with the eighteenth amendment, which prohibits the sale and manufacture of intoxicating beverages.

Let us once in the history of Congress set aside politics and the wet and dry question; let us come out in the open and herald to the country that we are willing to pass a law that can be enforced.

Three and two-tenths per cent alcohol by weight in beer is not intoxicating and should be sold to the public instead of coercing them into buying improper alcoholic beverages. Anybody who has ever hoped for the success of prohibition, should certainly indorse an honest measure aimed at making the law conform to the eighteenth amendment and at the same time benefit law enforcement as a whole.—*Extracts, see 3, 32.*

U. S. Representative O'Connor

I APPROACH this subject from two points only: First, to restore beer to the American people who want it. I believe it to be their right to have it. Second, to use it as a means of income for the much-depleted Treasury.

As I have often said, the United States is the only Nation in the world which does not look to this source of income to help out its budget. It is the principal source of income for most countries of the world. I understand it furnishes one-third the income of the British Empire.

We have given much thought to this subject for a number of years; some of us 10 years, some of us longer than that. And last year, those who had been interested in the so-called wet movement in Congress, on both sides of the aisle, numbering at least 150, got together and conveyed to the House of Representatives their thoughts in a bill which was then known as 10017. That has been called the O'Connor-Hull bill. At that time we appreciated the difficulty of passing it through the Congress, and we put in there a great number of items which we

Continued on page 18

Tilton *Cont'd*

the political power that is coming their way. But by selling antiprohibition precisely as big business sells a cigarette or a new gasoline the moneyed East has fooled the South and West into thinking prohibition is morally wrong, when as a matter of fact prohibition is morally good for the Nation, politically an asset to the South and West, and bad only for the moneyed East, where it really does interfere with power to send standpat conservatives to Congress. It is so common to hear the big financiers of the East say, "The East is slipping, the East is slipping."

This is the way that history will record this beer bill and the repeal amendment. It would be well if every Southern and Western Representative before he voted to pass this beer bill wrote a letter home to his constituents, saying: "Before I vote for the beer bill, or for the repeal amendment, I wish my constituents to understand that a vote for either of these measures is a vote to weaken the coming political supremacy of South and West and give party control back to the moneyed East. If my constituents desire me to vote to deprive them of political power, I will do so, but personally I would rather vote to strengthen my constituency than to weaken it."

That would be getting at the bottom of the matter, and at a time when the nations are teetering toward economic collapse, it would be far better to deal with the true heart of the matter than with surface motion and mob psychology. Could there be anything more absurd than to add a wet tornado to a financial hurricane? That is what relegalization of beer will mean. Every beer shop will be a rum shop. Are the American people mad enough to think that reopening the saloons is a financial panacea?

Were I a Congressman from the East, I would also write a letter to the eastern financiers, to what we loosely call Wall Street as against Main Street. I would point out to them that in trying to kill prohibition, either by relegalizing beer by straight repeal, they were turning their backs on the safest constituency they will ever have, the West and up-State voters and raising to the surface every subversive vote, the underworld vote that follows the city machine. These groups may vote wet, but they will never vote financial. Therefore, the moneyed power of the East may well be toying with a Frankenstein that will destroy it.

The real safety of our country today depends on getting these truths through the country. What we need is a party of the open spaces, South, West, and up-State, a coalition lifting the big cities to the old pioneer idealism of thrift, of independent thinking as against mass emotion, of self-discipline and self-sacrifice. To this group, the moneyed power of the East should make concessions. Thus, would be built up a party invincible that could slowly lift our big cities to the knowledge of the qualities needed for a stable democracy. But, let the moneyed East continue, as in this prohibition fight, to lift the gangster and subversive forces to the surface and we may well face decline and fall. This is the way to look at the prohibition fight, to get underneath and analyze the forces that are making it. We are never going to get anywhere by telling of the benefits of prohibition. The marvelous advertising of the wet forces has created a condition where people shed temperance facts. They are like a man in a fever. You can't reason with him.

But if you can convince the South and West that every wet inch they give deprives them of coming political supremacy, that idea will take root. If you can also convince Wall Street that they may well be destroying themselves by the tactics they are employing to get rid of prohibition, that idea will take root.

Now, lest you think I am dreaming, I will set down for you the steps by which I came to know that history is going to record this great wet and dry fight partially as a fight between section and section for political supremacy, a fight in which Wall Street section for a time, at least, pretty thoroughly fooled the Main Street section.

Up to 1928, the dry forces were coming, not going. Their fight was mostly with the few rich, the gangsters, and the liquor interests. At that time a lawyer close to the wets told me himself that the liquor interests were getting out of money and it would be 10 years before the wets could hope to make a dent. In a few months all this was changed. Eastern moneyed interests had come into the fight. The Democratic Party had come into the fight, bringing eastern capital along with it. A great election had been held and won, not by the East, but by the West, the women, and the drys. The East was frightened by that election. It saw political power passing South and West. It rode back to New York from Kansas City determined to have an eastern victory in 1932. To secure this eastern victory the moneyed East went wet, in my opinion.

I first heard of this new wet drive from a lady from Pennsylvania, supposed to be rather close to the great political and financial machines there. She told me it was no use to go on working for prohibition any longer. The big men of Pennsylvania had got together and decided to get rid of prohibition, even if it meant a civil war. The idea seemed to be that for long years the political bosses of that State had sent their own men to legislature and Congress without outside interference.

But the drys had become that most obnoxious thing, a party within a party. Thus, they broke up party control and put men into office who were dangerous to the big interests. They elected a Pinchot, hostile to public utilities. In short, the drys had become of such political moment that they had to be eliminated from politics even if it meant a civil war.

Shortly after this, the repeal memorial was before the Massachusetts Legislature. I was in charge of that memorial. As it was a Republican legislature and a dry President had just been elected, I was amazed to find the Republican machine at our statehouse working to send that repeal memorial to Hoover. When I remonstrated, I was told that only one man could help it. I appealed to that man. He telegraphed me that prohibition had become of such political moment that it was necessary for the repeal memorial to go to Washington in order to get him to appoint an unbiased alcohol commission and by the report of that commission he hoped that prohibition would be removed from politics.

I immediately asked Republican insiders what it meant, and the answer was, "The Republican party mismanaged prohibition in the beginning and now it has gone to work to get rid of it." I then and there saw that the capitalistic forces of the East were out to capture both parties, drive

Continued on page 19

O'Connor *Cont'd*

thought at that time were attractive, maybe, to be frank about it. But we now take a somewhat different position. The bill, H. R. 13013, is an amended O'Connor-Hull bill—and I do not mention those names because I have any pride of authorship in it at all. I want to see beer restored, and I want to see the revenue obtained from it, and I am here principally to talk about the revenue; and I want, before the hearings go on any more, to ask you gentlemen not to fall too quickly for a low tax on this beer. I am an advocate of high tax on beer.

Let me analyze briefly for you what we tried to meet in drafting this beer legislation. The beer bill on which we voted last May, and for which 169 Members voted, provided for a tax of 3 cents a pint on beer. That was equivalent to the $7.50 per barrel in the amended beer bill. That is equivalent to about 1½ cents a glass. It is 24 cents per gallon. The present tax, as you know, is $6 per barrel, which is 19 cents per gallon, or about 2.4 cents per pint, or 1.2 cents per glass.

We never considered that a very high tax, and at that time we understood from the brewing interests that it was perfectly agreeable and they said at that time to us, "With a 3-cent per pint tax, we can sell beer at 10 cents per pint and make a very good profit." They analyzed it in this manner; they said:

The beer will cost us at the most 1½ cents—that is high, the bottle will cost us at the most 1½ cents—that is 3 cents; and the 3-cent tax makes 6, and that 4 cents will furnish plenty of margin for profit, manufacturing, distribution, and retailing.

That was on a pint bottle. Before we had the bill in completed form they communicated to this subcommittee and said we should not restrict it to pint bottles, because their machinery was all set up for 12-ounce bottles. So we took out the restriction to pint bottles and just left the tax 3 cents per pint, and the 12-ounce bottles could easily have been sold for 10 cents; and it was freely stated that it probably would be sold through the chain stores at three for a quarter.

In that bill we took 2.75 per cent as the alcoholic content. And the principal reason we did that, although there was some objection among some of the committee, was that we thought the cases in the Supreme Court seemed to justify that percentage, and there had been hearings before the Judiciary Committee which went into that question. We thought there was no question but that would be sustained as nonintoxicating in fact, and we put into the bill a legislative declaration that such beer was nonintoxicating in fact.

We then came to the question of distribution, which is one of the problems to struggle with. We thought the only way to abolish the saloon—and the word "saloon" has grown to become a bromide in the United States. People have muttered the phrase "Abolish the saloon" long enough so that it has become almost universal, and I believe the years to come will prove it is just a phrase, something akin to "Balance the Budget," and other bromides that are heard around the Capitol.

But to meet that slogan we put a distribution system in the bill restricting it to sale only in bottles and not to be consumed on the premises, except in restaurants, clubs, and hotels, with food. We then also prohibited the importation of any beer, and we forbade the importation of any hops or ingredients for beer. That is another very important question.

We protected the dry States. But we went a little further than the dry States, I had something to do with the idea, and I think it is important. If the Federal Government is ever going to have anything to say about the distribution of liquor in any manner, and it is not going to have that say, in my opinion, after the eighteenth amendment is repealed, it ought to go further than protecting the dry States. It ought to come right down to protecting the very smallest political entity, and my bill did that. It protected not only the dry States, but the dry county, the dry town, and dry village, so that if they took a referendum in that town or village and they voted they wouldn't let this beer be sold there, this bill protected that community from having it sold.

We had a provision in there about the racketeer, in an attempt to get rid of the racketeer. We had a provision saying that anyone who had been convicted of a felony could not get a permit; nobody could be employed on the premises—the permit would be revoked if anybody convicted of a felony were employed on the premises.

Now, since last spring there has been, at least in the public mind, a great, I might call it, sort of surge forward in reference to doing something about prohibition, and especially something about beer. I think the people right now are more anxious to have something done about beer than they are to have the eighteenth amendment repealed. Time is not of the essence on that, in my opinion, but the people demand the restoration of beer, and because of this changed opinion I amended that bill and sent a copy to the Committee on Ways and Means showing just how the bill was amended. Of course, I didn't do it on my own initiative. I consulted with the men who have been active in the wet movement.

We maintained the tax at $7.50 per barrel. I think, as I said, that is the lowest point to which we should go. We always were told that in 1918 there were 66,000,000 barrels of beer sold. At $7.50 per barrel, that should yield $500,000,000 of income.

Now, it stands to reason, if beer were restored, there would immediately be a rush, you might call it, to buy it, and the first year and the second year, and maybe the third year, I believe the amount produced would be much more than has ever been sold in this country.

I think the first year, if they could produce it, they would sell possibly 100,000,000 barrels of beer, because of the desire of the people to get it, as evidenced throughout the country. I believe you would have no difficulty in selling beer tomorrow with a $20 tax on it. So that, while the Treasury needs the money, let me say this sincerely, now is the time to get it. We won't need it a few years from now, and we do need it now, and we should get it in the next few years, when the people are eager for beer.

But, anyway, surely the normal consumption of beer, away back in the preprohibition days, would be less than the first mad rush to buy it that would be seen after its restoration.

Now, you will hear the argument, "The higher the tax, the lower the revenue," and, "The higher the tax, the

Continued on page 20

Tilton *Cont'd*

them wet, and by this short cut to get rid of prohibition. When I asked why they were so fierce against prohibition, I was always given the same answer—never the merits of prohibition—but that prohibition sent wrong men to legislatures and Congress, outsiders not especially friendly to the financial interests.

Unless you live and work in the East, it is hard to see how prohibition did help to upset the political supremacy of the East and to keep from high office Wall Street candidates. A politician that high finance wanted much to put in the United States Senate was defeated. He told me himself that if both parties had been wet he would have gone to the United States Senate; but wishing to get the up-State vote he had to run dry, and the wets sent money into the mill towns of his State and took away just enough votes to defeat him. This was happening again and again. It denuded legislatures and Congress of stand-pat conservatives quickly responsive to oil, gas, electricity, and other privileged interests. Thus, power to control politics passed to the West and South.

The papers have been frank about the whole matter. One paper, dear to the banking fraternity, has said that prohibition must be repealed because it breaks up party solidarity and sends "blatherskites" to high office. Just what a "blatherskite" is, I leave to the imagination.

But, even so, prohibition held steady for months and months under this terrific onslaught. There was a time when I was told that the campaign had failed. They could not dislodge prohibition by pitiless publicity, but suddenly it took on new life. The depression gave this new life. The business man of America, with two-thirds of his fortune gone, lost his nerve and his idealism. A frantic time ensued, with a great election coming and the moneyed interests of the East, the only ones, apparently, who had funds to give. Then, we heard on all sides, indeed the newspapers told of the "one thin dime campaign." This was to clinch the smashing of prohibition, said the newspapers. The big contributors would not give one thin dime until the Republican party came out wet.

I myself was at a Republican rally where a prominent Republican left the platform to come down and say to me, "These women here are good souls, but they have no money to pay the election bills. Wall Street alone has the money and Wall Street won't pay the bills unless we go wet. It would be a different story if you drys had the money."

I am aware that high finance has had great aids in smashing prohibition, the liquor interests, the great gangster world, and that large portion of the rich who always fight reforms. None the less, I am convinced that the church people of this Nation could have beaten back these forces if the moneyed East had not come in.

What is Wall Street? Benjamin Kidd gives a picture of the male of western civilization, the Teuton. He pictures this as streaming across Europe for three thousand years, overmastering, overpowering, brooking nothing that stands in the way of his vast aggregations of wealth." Wall Street is the last expression of this Teutonic male. Prohibition got in the way of his vast aggregations of wealth; it menaced his political supremacy and so he took to horse and galloped against it. The church people had not the efficiency method of the Teutonic male. For a time he broke their lines, but I want to tell you that in the end an economic idea fights its way to the front. Prohibition is economic for the Nation and no power can stop its winning in the end. Money may fight against it but the motor age fights with it. Pass your beer bill, repeal your prohibition amendment, but this country is set in an Anglo-Saxon mould and the nature of an Anglo-Saxon is to fight for an economic idea till it comes through.

The youth of this land, once you have brought them face to face with the intolerable conditions that relegalization of beer or prohibition repeal are going to bring, the deplorable uneconomic conditions, will put prohibition back, county by county, State by State. My belief is they will have it back in ten years, but it would be far better for the men of brains in this country, who know that primarily this fight is really a fight between two sections for political supremacy, to save us from the drink orgy that is coming to make us go all over the fight again.—*Extracts, see 2, p. 252.*

Edward B. Dunford

THE obvious purpose of this legislation is to legalize the traffic in beer and wine. It is squarely in conflict with the spirit and purpose of the Eighteenth Amendment to the Constitution, and is practically equivalent to construing that Amendment as intending to confer upon the beer and wine industry a monopoly of the liquor traffic and to relieve them of the competition from distillery interests. The absurdity of this is apparent when we recall the terrific fight made against national prohibition by the brewing and wine interests. It is of doubtful constitutional validity and would add immeasurably to the difficulties of law enforcement.

From the present social standpoint, our legislative problem with respect to alcoholism has completely changed from former days. In the early days the greater menace to society was the man who became victimized by alcohol to such an extent that he became a public charge. In the present age of automobiles and machinery, the greater social menace is the man whose brain is only slightly beclouded by alcohol who undertakes to operate a machine or an automobile who endangers public safety and requires the exercise of the police power of the government. A scientific definition is further impossible by reason of individual idiosyncrasies, since persons differ according to age, sex, tolerance to use, whether the beverage is taken with or between meals, and many other conditions. No two persons are affected alike.

The proposal to tax beer confronts the Congress at the very outset with two diametrically opposing duties. Many of the advocates of a tax upon beer have urged it as a means of providing a substantial return to the treasury in taxes. But in order to yield this revenue it has been suggested that the alcoholic content must be sufficiently high in order to make it popular and thus increase its sale. In other words, if this is considered as a revenue measure, real beer or something approximating real beer and not near beer must be the subject of taxation. On the other

Continued on page 21

O'Connor *Cont'd*

more possibility of the bootlegger being in here and competing, and the racketeering still going on."

Let us face the facts. The bootlegger to-day gets $36 per barrel for beer. Beer, the brewers told us, with a $7.50 tax, could easily be sold at a top price of $15 per barrel and yield a handsome profit. If the brewers would sell beer for $15 per barrel, of course the bootlegger could not compete. It is understood the bootlegger must have a margin of about $20, because his overhead is so great. The difference between $5 and $7.50 is going to be passed on to the public anyway. Maybe if we had a tax of $20 per barrel, the bottlegger might continue, but he never could continue with a tax of $7.50 per barrel.

In the new bill we see the force of the argument which has always been advanced, to get a real wide distribution of beer and to satisfy the largest demands of the people we would have to permit draught beer. I agree with that now. I believe it would be a mistake to restrict it to bottled beer. So we took out the restrictions in that respect.

Of course, the demand for beer in this country is much more widespread than the demand for wine. Wines are only drunk by a small proportion of the people, but they are entitled to have it, and I am anxious to see the wine situation worked out.

Now, those are the problems. It seems that 3.25 is real beer, but anything less than that is not real beer. Whether real beer is intoxicating is for you gentlemen to find out the best way you can. The next thing is to get the revenue from it now, when it is possible to get it.

I have heard the question asked: "Why do people drink beer?" I don't intend to be facetious about it, but I think people drink beer, a lot of them, for the same reason that people drink a glass of Coca Cola or an ice cream soda, and I do know that very often, as a thirst quencher, in the summer time, many people will testify that beer is a thirst quencher as nothing else satisfies that thirst, and I believe the taste of beer is the thing that attracts people to it. I don't believe there are many people in this world who deliberately drink to get the effect of intoxication, any kind of liquor, and I believe that the taste is the big thing, whether it is beer, Coca Cola, or soda water. I know I could not convince lots of people of that, but that is my sincere belief.

Now, the question of whether or not a saloon was a bad place or a good place or a naughty place was just a question of local enforcement. There were a lot of good saloons; and if you will restore this to the local authorities, the States ought to take care of that. If you say that any place where beer is sold to be drunk on the premises constitutes a saloon, then, of course, you can't provide for draft beer; but the District of Columbia, if it were a political unit, could determine how it should be sold.

The saloon system was limited to a select crew that ran the saloons. They were owned by the breweries, and the breweries saw to it that there was only a limited number, and they had the licenses for all of them. If you could sell beer in every place and sell it open to public gaze you would not have any of the evils of the old-time saloon. All the theory of conducting the saloon has been to put it behind darkened windows, behind the blind, where they could be opened after hours and on Sundays. If you left it open to the world, where everybody that wanted a glass of beer could be seen from the street, did not have to go to certain places to get it but could stop in any grocery store and buy it, or could stop in any chain store and get a bottle of beer to take home, you would not have any of those undesirable places; there would be open competition and no place would ever become a congregating place for the underworld.

The decent people of this country who were trying to blot out the curse of liquor fell right into the hands of the people who were interested in its sale. They put on high license fees and restricted the number of places where it could be sold, according to the population or something, which in my opinion was a great mistake. We would never had had prohibition—and let me say this in passing: Just as prohibition was coming in, the saloon was passing out. In my district in New York, on the east side, on First, Second, and Third Avenues, the saloons that were left at that time changed hands four or five times a year. Nobody could make a living out of a saloon. The breweries owned them all, and anybody could start up a saloon business without a cent of investment. They were passing out. People had become more educated. They went to the movies, they went to more respectable places, and the only places that were making money were the high class hotel bars or the big corner bar, and they were open to the view of the street. They were the only ones that survived. The saloon system had practically gone out. And if you go back into this limited licensing system you are going to have the same thing, in my opinion. Let anybody sell it that will pay the fee and pay the tax. That may sound strange, but I think that is the cure for it. *Extracts, see 1, p. 32.*

Aug. A. Busch

In a desire to serve the best interests of their country, many of our leading men are devoting themselves wholeheartedly, and giving their best thought and activity, to the task of finding a means of providing the much needed additional Federal revenue and meeting the popular demand expressed by the American people for modification of the Volstead Act and repeal of the eighteenth amendment. In a spirit of general helpfulness, may I, as a member of the brewing industry, be permitted to offer, from a practical standpoint, some suggestions which I hope may be accepted as a readiness to cooperate to the fullest possible extent with those to whom are entrusted the destinies of this Nation.

Our institution having enjoyed the distinction of being such an important factor in the brewing industry prior to the enactment of prohibition, I feel this affords me the opportunity, and the privilege, of submitting what I deem are extremely salient points to be considered in connection with the relegalization of beer.

One of my first thoughts is the alcoholic percentage to be legalized under the Volstead Act, and although recognizing and admitting the necessity for legalizing a product that will come within the definition of the term "non-

Continued on page 22

CON

Dunford *Cont'd*

hand, the Congress must consider the positive limitations imposed upon it by the Eighteenth Amendment to the Constitution of the United States. It is not simply a question of how much tax the traffic will bear, of what contribution this industry might make to the tax burden, but (1) what are the obligations imposed upon Congress by the Eighteenth Amendment and the social policy which it established; and (2) whether the traffic in beer, which has been prohibited since the adoption of the Eighteenth Amendment, should be legalized; and, (3) whether the government should reverse its fiscal policy adhered to since the adoption of the Eighteenth Amendment of refusing to finance its operations by a tax upon a traffic in alcoholic beverages and grant to the brewing industry the right to encourage and exploit for private profit a traffic in such beverages in view of the obligation which Congress faces under the Eighteenth Amendment to the Constitution.

The argument for the legalization of beer proceeds upon the theory that Congress can increase the alcoholic content in permitted beverages above the one-half of one per cent of alcohol now allowed to a point which renders such beer just short of being intoxicating in fact. We contend that any change in the alcoholic content proceeding on the theory of legalizing the maximum of alcohol not actually intoxicating is based upon a false premise and would constitute an unreasonable exercise of legislative power, since no such definition applicable to all persons is scientifically, physically or practically possible. Even the most violent opponents of prohibition do not insist that Congress can constitutionally legalize liquors which are intoxicating in fact except by some process of indirection which is tantamount to nullification.

It being impossible to establish a scientific definition of intoxicating liquor, there must next be considered the wisdom of an increase in alcoholic content. This is unjustifiable for two principal reasons. First, to legalize a near beer or any beer which is not actually intoxicating will not satisfy those who are opposed to the Eighteenth Amendment and who insist upon alcoholic beverages. Nor would the sale of such beer produce the revenue which the present advocates of change insist can be realized from a change of policy. It would not have the popular appeal. It is the alcohol in beer that makes it popular, and the appeal of alcohol lies in its narcotizing effect. The opponents of prohibition object to the Eighteenth Amendment because of the alleged difficulties of law enforcement. There is no evidence to show that an increase in the alcoholic content in beer would in any way aid governmental agencies in the enforcement of the law. While it would be possible for Congress to withdraw the penalties from the manufacture and sale of beer, such legislation would not be in pursuance of the Constitution but in disregard of it, and legislation seeking to license liquors actually intoxicating would be declared unconstitutional by the courts.

Under the broad exercise of the police power the states have in a number of instances undertaken so-called beer and wine experiments as a means of promoting temperance. Where they did so, however, there were no constitutional limitations to restrict the legislation. It is highly significant, however, that in none of these states where the sale of beer and wine was legalized, upon the theory of promoting temperance, did it succeed. The people either repealed the law entirely and adopted a license system or turned to a complete prohibition of the traffic.—*Extracts, see 2, p. 32.*

Dr. Ella A. Boole

WE recognize two things to be accomplished by the proposed legislation as embodied in the Collier bill and other bills providing for legalizing beer; namely, to amend the national prohibition law to legalize the manufacture, sale, and traffic in beer and light wines and to justify such action by proposing a revenue therefrom.

The first proposition has been considered in hearings before committees of the Senate and the House, and abundant evidence as to the character of the brewing industry and the effect of beer is on file. Previous committees have failed to report the bills, or if brought before Congress they have failed to pass. The only new features of this bill are that the project is now presented as a revenue measure, and light wines are provided for.

Taking advantage of the need to balance the Budget, the proponents of beer and wine are using the revenue part of the bill as a supplementary reason for securing what they have been seeking ever since the eighteenth amendment was adopted. Granted that a tax on beer and wine will provide revenue, nevertheless, before providing for it the effect of such action must be carefully considered.

First. Beer and wine both contain alcohol. Alcohol is a habit-forming drug, which taken in small quantities has the power to create the appetite for more alcohol.

Second. The passage of this bill will restore 90 per cent or more of the liquor traffic, for this was the estimated proportion in preprohibition days.

In 1914, which is generally considered a good year of comparison as to the amount of alcoholic liquors consumed, we find that the total consumption of all kinds of wines and liquors was 2,250,272,000 gallons. Looking up the internal-revenue reports, because these statistics are from the Internal Revenue Department, and of course do not take into account the illicit sale, we find that the per capita consumption of distilled spirits was 1.44, the per capita consumption of wine was 0.53, and the per capita consumption of malt liquors was 20.69, and that the total consumption was 22.66 gallons.

If you will look over the comparison you will find that the amount of malt liquors consumed, 20.69 gallons, is just about 90 per cent of 22.66 gallons, the per capita consumption of all alcoholic liquors, and that is the basis for this comparison.

Third. It will not change the nature or the effects of alcohol, because they can not be repealed and are inherent in alcohol itself.

Fourth. Recalling the investigation of the brewers' ac-

Continued on page 23

PRO

Busch *Cont'd*

intoxicating," my contention is and always has been, since the subject of beer relegalization has been discussed, that unless a beer of at least 4 per cent by volume (which is 3.20 per cent by weight) is legalized, the entire plan on which the hopes for beer are based will prove a disappointing one.

I refer to the relief of unemployment, and to revenue as it relates to the Federal, State, and municipal governments. May I recall the fact that when 2.75 per cent beer was inaugurated as a conservation measure—born out of the war—it was argued that there was necessity for conserving grain and other ingredients that entered into the manufacture of beer—that there was need of diverting to other uses coal and freight cars used in connection with the brewing industry.

Now the very reverse condition prevails. There is a crying need by the farmer for a market for his grains. There is the hope of the miner that there will be a demand for the product of his labor. There is an abundance of freight cars without any need for them in industry. And most important of all is that vast and deserving army of unemployed seeking honest and gainful work.

There is, I believe, sufficient evidence of record to substantiate the claim that a 4 per cent by volume beer is non-intoxicating in fact. Furthermore, beer constitutes a liquid food when it consists of adequate body to make it nourishing and health producing. At no time was 2.75 per cent beer considered or accepted as a beer in fact, but in name only, although I wish to make it clear that the good and thoughtful men who have labored long and industriously for the return of beer and who have been identified with the movement for a 2.75 per cent product have, I am sure, acted in the belief and on the theory that it would be ill-advised to stress a higher percentage, on the grounds that it would be better to accept such a compromise than nothing. We need only point to the failure of this type of beverage in Canada.

In my humble opinion, to legalize a beer of 2.75 per cent would be equivalent to placing the breweries in the position of offering a substitute, and I feel confident this percentage would not alone prove a disappointment as to additional employment and as to revenue, but would be rejected by the masses of our people, who want and are demanding a beer in all respects satisfying, and that will, so to say, furnish that warmth, satisfaction, and contentment that a mild stimulant like a good, wholesome beer supplies.

In urging a 4 per cent beer, we are advocating one which is lower in alcoholic content than our preprohibition Budweiser, which was 4½ per cent. Any product under 4 per cent will fail to be accorded that response necessary to again popularize legal beer. It would be barren of that appeal that constitutes it an inviting and palatable drink—would encourage the continuance of bootlegging, racketeering, and smuggling—would foster the trade of the alley brewery—would enable those inclined to disregard the law to make and sell a higher percentage product at the expense of the business of the law-abiding breweries, whose operations would be under strict control and supervision—would lack the force of aiding temperance—would, in fact, fail in all the arguments advanced for its return and lead our people back on the highway of discontent, determined to go on as before, indulging in the stronger alcoholics from which it was hoped beer would wean them. A fundamental error still persists in considering stimulation as being identical with intoxication. A beverage may be, as beer is, mildly stimulating, and yet not be intoxicating. Much testimony from medical experts is available on this point.

Since the experience with the 2.75 per cent product, we have had a long intervening period during which we have become acquainted with the popularity of home-brew, far more potent in its percentage than any preprohibition commercial product. Also, we have had the invasion into the American market of all brands of Canadian and Mexican beers and ales, many of which exceed in alcoholic strength the preprohibition products of the American breweries. So, all in all, there seems every reason and justification, based on experiences of the past, for the legalization of a 4 per cent beer, if the hope for revenue to the Federal Government and the States and municipalities is not to fail and if we are not to be disappointed in the hope for relief of unemployment.

A point of equal importance to which I would also invite attention is the necessity, if institutions like ours are to successfully reestablish themselves and reclaim their positions in the brewing industry, of their being enabled to resume the manufacture of the products upon which their respective reputations for high-grade beers were founded and built. If deprived of the use of any of the necessary materials that should and must enter into the manufacture of the beers they made and which were known for their particular blends, their products would be entirely devoid of the identity which formerly characterized them. Speaking of ourselves, our Budweiser, Michelob, and other well-known and distinctive products were regarded as being in the class of fine European beers, and were brewed of the choicest American hops, barley, and rice—plus a certain percentage of European hops.

Before New York State hops disappeared with the passing of the beer business, it was possible to obtain quite a satisfactory result by blending them with Pacific coast hops. However, at no time would such a blend be as desirable or as perfect a one as that produced by a certain percentage of the foreign mixed with the domestic. Our preprohibition Budweiser was made with a certain percentage of European hops, and our dealcoholized Budweiser of today is brewed in accordance with the same formula.

To restrict American brewers to all domestic materials (as has been proposed) would create a serious situation, especially with a company like ours, which has always aimed to give the American consumer the best that can be made; also it would encourage the demand for Canadian, Mexican, and European beers in competition with those made in America. Blending American and European hops in the brewing of beer has resulted in substantial exports of American hops to be blended with the European. Reciprocity, may, therefore, well be considered, in addition to the need for a percentage of European hops, especially as a duty of 24 cents per pound is paid to the Federal Government on such importations.

In this connection, may I call attention to the ill results that would follow in the event of an institution like ours at any time being handicapped by a crop failure in this

Continued on page 24

Boole *Cont'd*

tivities during the Wilson administration, the Congress should hesitate a long time before restoring them to activity and making again possible their stronghold on American politics. It was the character of their activities and the abuses of the saloon, largely owned and controlled by the brewers, that brought about prohibition. We have no assurance that even if adopted as a revenue measure, their character or activities will be materially changed for any length of time.

Fifth. Taxing beer and wine for revenue is but the entering wedge to legalize liquor of larger alcoholic content. The cry "Give us beer and wine" is simply a demand for alcohol. During the World War 2.75 per cent beer was adjudged tasteless and unsatisfactory by beer drinkers. During a discussion of beer at the beginning of the war, I was president of the New York State Women's Christian Temperance Union and at one of the hearings before a legislative committee, Samuel Gompers was present and spoke in favor of retaining beer, but in opposition to 2.75 per cent beer. And I remember that Samuel Gompers said, "Bah! 2.75 per cent beer, Bah! Who wants that?" I repeat that legalizing 2.75 per cent beer will not be sufficient. We are confident that the beer drinkers of the immediate future will not be satisfied with beer of this alcoholic content, for it is a well proven scientific fact that alcohol is a habit-forming drug and that increasing quantities of alcohol are necessary to satisfy the increasing appetite for alcohol.

I not only had that experience, but passed through the experience of the Army canteen, during the Spanish-American War, when it was disclosed that with wine and beer sold in the Army canteen, though the men could charge the cost up against their pay, there were all about the camps and forts numbers of low-down saloons and groggeries to which the men resorted even after they had had the wine and beer in the Army canteen, and the result of that experience was that Congress prohibited the sale of wine and beer in the Army canteen.

The wine producers are now willing that mild native wines be taxed, but there are those who will demand imported wines and will not be satisfied until their sale is legalized, and imported wines have up to 22 per cent of alcohol. In fact, I am informed that wines will not keep, in being transported across the ocean, unless they have at least 14 per cent of alcohol, and although I know a woman does not understand all the intricacies of economics, yet I am wondering how we are going to relieve the depression in the United States if we make an outlet for the billion gallons of wine they have in the wine cellars of France and which they are looking forward to sending over to the United States. I am wondering how that will help our depression.

Sixth. Large plans are already made by the brewers to increase their sales through radio broadcasts and to advertise their products in newspapers and through other publicity channels. On November 13 an international broadcast from France, published in full in the metropolitan papers on November 14, was for the purpose of promoting the use of wine and extolling its so-called virtues. Liquor advertisements are now prohibited in the United States, nor can they be sent through the mails, but such legislation will forecast the repeal of the law forbidding advertisement, if this bill is reported and passed, for sales must be promoted and the radio and the newspaper brings these advertisements directly into the homes.

Seventh. The lack of money for necessities in thousands of homes is a serious problem, and legalizing beer and wine, whose sale would be promoted in every possible way, would result in the diversion of funds for food and clothing for the family.

According to the generally accepted economic basis of calculation the liquor traffic as a whole in preprohibition years took from the people at least $10 for every dollar they turned over to the Government. Never in all history was there a more wasteful or a more costly method of tax collection.

In a time like this to talk of diverting any substantial part of the people's income from the Nation's market of necessities and wholesome luxuries to be spent for beer and wine, deserves serious consideration on the part of those charged with making the Nation's laws. The butcher, the grocer, the merchant, the real estate man, the home owner and the landlord should protest the legalizing of that which will divert wages from their channels.

I want to put in a bit of my own experience. I live in the city of Brooklyn. A few years ago they were building a new road on the street on which I live. There were a great many workmen there—this was before prohibition. I could give the exact year, but it is not necessary. A great many men were there, and every day at noon the beer wagons would come along and deliver to these men cases of beer, and I watched them eat their lunch. The men would have bread and a bottle of beer. Prohibition came along, and I still live in that community, and public works were still going on, and we had some grocery stores not very far away, and I used to make it a point to go down to these grocery stores at noon, when the workmen were providing themselves with their lunch. Some of them carried a tin dinner pail, but most of them went into the grocery store and got a loaf of bread and a bottle of milk, and out of those two things they made their lunch. No beer was delivered to the workingmen there. And I could not help but feel that in getting a bottle of milk and a loaf of bread, the milk instead of the beer, they were getting in the milk that which nourished them, that made them strong for their afternoon's work, and they were not so tired as if they had taken the beer, because while beer may spurt for a little time, everybody who has studied the problem knows that after the use of alcohol there is a depressing effect. This is the system trying to get rid of the alcohol. But with the milk there was no depressing feeling that followed.

That is only a bit of experience to show where some of the milk is being used now, as well as the fact that the children are being supplied with milk in the schools.

Eighth. Enforced leisure due to unemployment if beer and wine are legalized will contribute to increased consumption. The seller must promote his sales in order to be able to carry on. His sales result in drinking which would add to unrest and incite wrangling and violence. Women and children are hungry. Even money given for relief would find its way into beer channels. I have myself seen hundred of unemployed men in England go to the public house immediately on receipt of the dole and not leave until every penny was spent.

Ninth. The effect of money being spent for drink by the wage earners is worthy of consideration. The women

Continued on page 24

PRO

Busch *Cont'd*

country of any of the materials entering into its products. In such an emergency, unless these materials could be substituted with those from other markets, we would find ourselves at a standstill. This would be equivalent to complete stagnation.

The American farmer deserves and should receive all the consideration that can possibly be shown him. He has been as great a sufferer as anyone during this long and unfortunate period of depression. The American hop grower always has been and always will be given the preference, because to use a percentage of imported hops would represent no innovation, but merely the resumption of a long established and recognized custom. The American brewers whose names are identified with special and distinctive brands should not be denied an opportunity to again produce those beers which were so well known to and so popular with the American public. Unless satisfaction can be had with the American-made product, the appetite and desire for the imported beers will unquestionably follow, to the decided disadvantage of the brewers of this country.

I do not feel this statement would be complete without a candid expression of my belief that the beer business of the future must be conducted along lines that will be a credit to the industry. In the past, when we were engaged in the manufacture and sale of beer, it was always our purpose to stress respectability and observance not only of the law but of all the proprieties and decencies. It is our hope that we shall be able to look to the future with confidence, and it shall be with a determination to do all we can to promote the cause of temperance in the full sense of that term by a respect for and strict observance of the law and a hearty cooperation with any and all regulations put into effect.

In conclusion permit me to say that beer having always been recognized as the drink of the wage earner, the importance of keeping it at a price within his means should be borne in mind. Without the good will and patronage of the masses, the brewing industry of this country cannot possibly succeed. To tax beer to the point that would make the price of it prohibitive to the consuming public, or to set up such unreasonable barriers as would place it beyond their reach, would be to frustrate the very purpose for which beer is being relegalized—namely, to satisfy the demand of the masses for their beer, to provide revenue for the Federal, State, and municipal governments—to eliminate the bootlegger and gangster from the beer business, and to afford relief of unemployment.—*Extracts, see 1, p. 252.*

CON

Boole *Cont'd*

and children would be the greatest sufferers, and for their general welfare I plead.

Beer drinking does not increase a man's earning ability; it does not make him a kinder husband or a better provider for the home; it does not give his children a better birthright. If the business is to prosper, new drinkers must be recruited from the children of today. Alcoholic liquor begets drunkenness, and the drunken father or husband destroys happiness in the home. When the wife and mother are drunken, the consequences are even worse. When the growing boys and girls learn to drink, their future usefulness is threatened. The adoption of this bill will increase hunger in the home, rather than relieve it; it will increase drinking among youth, rather than lessen it; it will produce unemployment, rather than relieve it; it will result in inefficiency in machine management and increase the dangers of the road.

Tenth. The eighteenth amendment was adopted to break the power of the liquor traffic. To legalize intoxicating liquor for purposes of taxation will restore beer and wine dealers to their former standing in the business world; will divert money now used for bread, meat, clothing, and education to payment for beer; will not balance the Budget, for it will add to it in other directions and will disrupt thousands of homes. We have no reason to believe that those who have violated the prohibition law will willingly observe the restrictions that of necessity must be placed about the new business of legalized beer for revenue purposes.

Eleventh. We can not have the drink without having the drink trade, and we can not have the drink trade without having all the by-products of that trade; namely, domination of government, manipulation of political machines—drink caused crime, poverty, vice, and unhappiness in the home. Of course we have crime, poverty, vice, and broken homes any way, but we do not encourage them. We punish the violator. Alcoholic drink laid the foundation in which these evils were hatched and was sold in the place of refuge to which they resorted.

Of course, we are assured that we are not to have saloons again. There will, however, be liquor stores. Is there anyone so innocent that he does not realize that this is another spelling of saloon—a place where alcoholic liquors may be dispensed?

Twelfth. Money spent for liquor does not add to the general good. Dr. Irving Fisher, noted economist of Yale University, says, as quoted in the Christian Advocate, Nashville, November 25, 1932:

The idea that the liquor business creates something economically is on a par with the idea of an undertaker who complained that the pure milk committee in his town had ruined his trade in babies' funerals.—*Extracts, see 2, p. 32.*

The 72nd Congress « « Now in Session

Duration—March 4, 1931-March 4, 1933. First Session Convened Dec. 7, 1931, Recessed from Dec. 22, 1931 to Jan. 4, 1932. Adjourned—July 16, 1932. Second Session Convened Dec. 5, 1932, ends March 4, 1933

In the Senate

Membership
Total—96

48 Republicans — 47 Democrats — 1 Farmer-Labor

Presiding Officer
President: Charles Curtis, R.
Vice-President of the United States

Floor Leaders

Majority Leader	*Minority Leader*
James E. Watson, Ind., R.	Joseph T. Robinson, Ark., D.

In the House

Membership
Total—435

209 Republicans — 219 Democrats — 1 Farmer-Labor — 6 Vacancies

Presiding Officer
Speaker: John N. Garner, D.
Member of the House from Texas

Floor Leaders

Majority Leader	*Minority Leader*
Henry T. Rainey, Ill., D.	Bertrand H. Snell, N. Y., R.

The Month in Congress---

Political Developments

As is usual in a short session of Congress immediately preceding a change in party control of the Administration, the current second session of the Seventy-second Congress is completely dominated by politics.

Some of it is good, sound politics and the rest is just plain politics. The sound politics is that which has to do definitely with party control and party responsibility. The other kind is that which has to do with what certain types of politicians consider making a showing or saving face.

Under the head of sound politics may be considered the decision of the Democratic leaders in the Senate not to confirm any important appointments President Hoover has made since Congress adjourned last summer or any others he may send to the Senate between now and March 4, and the rumored decision of President Hoover to veto the Collier beer bill and the Philippine independence bill if these measures are finally passed by both houses.

Under this head, also, may be placed Governor Roosevelt's declination to cooperate with President Hoover in working out a plan to deal with the repudiated foreign debts, although in the thought of a number of wise politicians in Washington, this attitude on the part of the President-elect is of doubtful wisdom because there is an element of the political gamble in it.

The refusal of the Democratic Senators to allow President Hoover's recent appointments to be confirmed is due to the definite reason that many of these appointees are named for positions in which they would, if confirmed, serve a definite term of years. This applies to members of the Interstate Commerce, Federal Trade and Tariff Commissions and other similar commissions, to Federal judges, attorneys and marshals and to many other officials.

The point the Democrats make is that within a few months a Democratic President will be inaugurated and that he and his party are entitled to fill these vacancies with men of their own choosing who will be sympathetic with the policies of the new administration.

It is true that most of the Commissions are bi-partisan, it being definitely stated in the laws creating them that they shall be so. This means that if a commission is composed of five members, the law reads that "not more than three of whom (the commissioners) shall be of the same political party." The appointments are for definite terms of years, overlapping each other, so that in a Republican Administration vacancies occur that enable the President to so fill them that the majority of the commission will be members of his party and vice versa.

If all pending vacancies in the public service at the present time were filled by President Hoover it is natural to suppose that he would appoint Republicans to all of them except those which go by law to non-Republicans and even in the case of the latter class, would choose Democrats who might or might not be suitable to Governor Roosevelt and the other Democratic party leaders.

Hence the holding up of all important nominations except those of a minor character or those involving military and naval promotions, which are more or less routine. An exception was made in the case of Roy Chapin, appointed Secretary of Commerce during the Congressional recess. A member of the Cabinet is purely a personal Presidential appointee. All of President Hoover's Cabinet will automatically go out of office with President Hoover on March 4, so the nomination of Mr. Chapin was promptly confirmed by the Senate.

On the matter of the reported veto by the President of the Collier beer bill and the Philippine Independence bill, the question of fundamental policy is involved.

Whether the President will actually veto either of these measures in the event of their final passage by Congress is not definitely known at this writing, but assuming, simply for the sake of illustration, that he will, his friends say that he will do so for carefully considered reasons.

So far as the beer bill is concerned, it is a Democratic measure and in line with the declaration of the Democratic party platform on which Governor Roosevelt ran for President. The Republican platform, on the other hand, did not declare for modification of the Volstead Act and the President is said to feel, himself, that until the Eighteenth Amendment is repealed and provision is made to protect those states which desire to remain dry there should be no changes in the present liquor laws.

If the Democratic Administration, with its majority in both houses of Congress after March 4, next, chooses to enact legislation permitting the manufacture and sale of beer before final action is had on repeal, that, the President is reported to feel, is their business, but he does not intend to have any part in it by signing a bill to that effect.

In this President Hoover has the secret approval of a number of out-and-out wets in both the House and the Senate. Some of them voted against the beer bill in the House and others will vote against it in the Senate. But, so far as outward speech and action is concerned, their numbers are few because most of them do not care to put themselves openly in the position of opposing any wet legislation.

This type of wet is convinced that if the sale of beer is permitted without the repeal of the Eighteenth Amendment or without protection to the dry states, trouble is sure to follow and final repeal will be made more difficult.

As to the Philippine Independence bill, the President has always opposed granting freedom to these islands at the present time or in the near future because he feels the results would be disastrous both to the Philippines and to the United States. For him to sign the bill would be to repudiate not only his own declared policy but also that of former Presidents Coolidge and Harding. Again he will be falling back on fundamental party policy.

Governor Roosevelt's stand on the question of the foreign debts has created a great deal of interest in Washington.

Soon after the election, when it became apparent that the end of the one-year Moratorium on December 15 would be marked by a failure on the part of some of the foreign governments to meet their payments, President Hoover invited Governor Roosevelt to confer with him at the White House with the thought of working out a plan for handling the foreign debts which could be put into operation under the Hoover Administration and carried forward under the Roosevelt Administration. The Governor accepted the invitation and visited the White House in November on his way south.

Subsequently correspondence passed between the two, with the net result that they could not agree and President Hoover, in consequence, had to drop the whole matter and leave it for Governor Roosevelt to handle after he becomes President.

Any plan President Hoover might have adopted would have been blocked by Congress, so for him to attempt to start anything that would have to be carried on after March 4 would have been futile.

The President wanted to appoint a bi-partisan commission, whose membership would include members of the House and Senate, with Governor Roosevelt and the Democratic leaders of the House and Senate selecting the Democratic members, to consider the debt situation as a whole. This was not agreeable to Governor Roosevelt on the ground that he could not act in such a matter until he was inaugurated President.

Mr. Hoover then said he would appoint a fact-finding committee of his own and suggested that Governor Roosevelt name a Democrat to sit in with the committee unofficially. This suggestion was declined by Governor Roosevelt on the ground that no matter what he and the President might think about that, the foreign governments would form the conclusion that he, Governor Roosevelt, was officially connected with the committee.

The fundamental difference between President Hoover and Governor Roosevelt over the debt situation is that the former wants a commission to deal with the entire subject, while Governor Roosevelt wants to deal with it through the State Department, possibly by means of special ambassadors or representatives for each foreign country. He would go even further than the established American policy of having an American commission to consider each foreign nation's debt problem separately, by having different individual Americans deal with different foreign nations separately.

Under the plan Governor Roosevelt is said to have in mind, one man will be designated to deal with England and another man with France and still another with Italy, etc. This plan, Governor Roosevelt's friends say, will go far to prevent any concerted action by the debtor nations.

Now for the politics of it:

Governor Roosevelt's critics within his own party say that he listened to the Democratic politicians instead of to some able business and financial leaders who really understand the foreign situation. The latter advised him that he would save valuable time and accomplish much by cooperating with President Hoover and tackling the foreign debt situation in an all American and non partisan spirit. They feel that he overlooked a good opportunity for public approval.

The supporters of the position he took say that the time element amounts to but a few months and that his plan is sound because when he comes into office he will be able to act with absolute freedom, whereas if he had followed President Hoover's suggestion he would be considered as accepting a Hoover policy instead of making one of his own.

The doubtful part of it to those who view it purely from the political angle is that, if Roosevelt does not make a pronounced success of his negotiations with the debtor nations, he will be accused of failing because he refused to bury partisan politics in the interests of the American tax payer.

Of course, if he succeeds, all will be well and he will be applauded for his course.

The point made by those who comment on the matter from the purely political angle is that the Governor is taking unnecessary risks. They feel that Hoover opened

the way for Roosevelt to glide into the situation easily and without any commitments and that by accepting the Hoover suggestions he would have won approbation and would have run no real risk.

The future alone can write the answer to that question. It is one of those things that may go well and may go badly. Good politicians like a political move that is sure fire and are wont to be doubtful over a move that is a gamble unless it must be made in a desperate situation.

At any rate, the decision, everybody admits, was Governor Roosevelt's alone to make, and he and his party will be the winners or the losers, as the case may be, by the final results.

Progress Made by Major Legislation

From December 5 to December 20, 1932

POLITICS of a different nature is responsible for the general prediction that nothing will be accomplished at this session toward balancing the budget, genuine banking reform, farm relief, the veterans' problem or Government economy.

Many speeches will be made on all these topics but nobody thinks anything worthwhile will be accomplished. The best that can be expected is that the Democrats will lay the groundwork for taking up some of these problems in the extra session of Congress which is now considered inevitable.

The Democratic campaign pledges were specific and definite on most of these problems and Democratic leaders in the Senate and House, as much as they would like to avoid an extra session, are now resigned to the fact that one will be necessary if the party is to make good its promises.

The very fact that they feel that an extra session must come will cause them to lessen efforts to put the pressure on in an attempt to get any important legislation through at this session.

Agriculture

DEFINITE efforts are being made by farmers' organizations to obtain legislation at this session on two features of their general program of farm relief. One of these is the domestic allotment plan and the other is the farm mortgage plan.

Provisions for the domestic allotment plan are contained in S. 4985, introduced at the end of the past session by Senator Norbeck, S. D., R., Chairman of the Committee on Banking and Currency, the Committee to which the bill was referred.

Plans for farm mortgage legislation are still in a formative stage and no bill has so far been introduced that fully embodies the desires of the farmers' organizations.

The domestic allotment plan is a plan by which the production of basic agricultural products will be controlled and regulated in relation to domestic consumption and by which a reward will be paid to farmers who curtail their products in compliance with the plan.

A central agency in Washington, either the Federal Farm Board or some other agency, will estimate the consumption of the whole country and on that basis will fix the amount to be produced. This reward will be paid out of excise taxes on the manufactured products of raw farm products. Each agricultural state will set up a state board to deail with the farmers of that state.

Senator Norbeck has given the following concrete example of how the plan will work:

The way in which the plan would work may be illustrated in the case of an individual wheat grower whose 1932 crop is now in the ground. Take a man whose average acreage for the last five years has been 100 acres and whose average yield was 20 bushels an acre. His base production would then be 2,000 bushels. If the domestic allotment to his county was equal to 60 per cent of the base production for all the farmers in that county, this farmer would then receive an allotment of 1,200 bushels as the amount upon which he would receive payment of tariff benefits. He would sign a contract with the county committee that he would not plant more than 100 acres the next year (unless he "swapped" acreage with some other contracting farmer), or that he would reduce his acreage (up to 10 per cent reduction) if a general reduction were decided upon. As soon as the contracts were signed he could take his copy to the bank and borrow up to 90 per cent of its probable value upon it, or about $430.

As soon as his 1932 crop was ripe he would harvest it and sell it in the usual way to his local elevator or cooperative, receiving payment in full at the prevailing price, based upon the world market just as it is now. Then, at the end of the season, the local allotment committee would certify that he had kept his contract by not planting a larger acreage for harvest in 1933 than the 100 acres specified; and the farmer then would receive, by a check, the full payment of his tariff benefits. If these came to 40 cents a bushel, that would be $480 coming in at the end of the marketing year. If he had borrowed on his contract, the check would go first to the bank and he would receive the balance above the loan advance.

If a 5 per cent reduction in acreage had been decided upon for 1933, our farmer would be so notified by the local committee, and he would have to show them that he had planted no more than 95 acres for the new crop before his allotment would be paid.

Or if, with the 100-acre limit, our farmer wanted to grow 150 acres of wheat in 1933, he would have two alternatives: Either he could withdraw from the plan and lose his right to receive benefit payments for the year or

he could arrange with some other farmer to plan 50 acres less than the amount specified in this second farmer's contract and to transfer the right to plant the balance to the first farmer. In the latter case he would not lose his right to the benefit payment, since his action would not be increasing acreage above the total on which the board was planning.

Assuming that wheat would sell at 50 cents a bushel at the farm in 1932, our farmers' income on a crop of 2,000 bushels would work out as follows:

Income without the plan in operation: 2,000 bushels, at $0.50	$1,000
Income with the plan in operation:	
2,000 bushels, at $0.50	1,000
Tariff benefits on 1,200 bushels	480
Total wheat income	1,480

The amount of the benefit payment would be the same no matter whether the farmer had a crop failure or a bumper yield. If he had a bad year and produced only 800 bushels on his 100 acres, he would still get the benefit payment on 1,200 bushels, which would provide a form of crop insurance; while if he had a bumper crop and had 3,000 bushels to sell, the benefit payments would still be just the same, on 1,200 bushels.

Appropriations

Of the eleven annual appropriations bills which must be passed at this session two had been reported to the House by the Committee on Appropriations and of these one has been passed by the House, as of December 20.

The Treasury and Post Office bill was reported on December 10 and passed on December 15. It was before the Senate Committee on Appropriations when Congress adjourned for the holiday recess.

The Interior Department bill was reported on December 15 and was before the House on December 20.

The Treasury and Post Office bill carried a total appropriation of almost $1,000,000,000. This covers all the operations of the two departments including the air mail and transoceanic mail items.

The House amended the bill, as reported by the Committee by adopting an amendment offered by Representative La Guardia, N. Y., R., providing that the provisions of the Economy Act, which were continued in effect in the bill, should not apply to Government employees whose pay is below $83.33 a month. The Economy Act is the Act passed toward the close of the past session reducing Government salaries and its provisions are being incorporated in every departmental appropriation bill which means the present pay scale will be continued for the next fiscal year.

In opposing the La Guardia amendment Representative Byrns, Tenn., D., Chairman of the Committee on Appropriations, said the La Guardia amendment would mean adding approximately $2,000,000 more to the total of appropriations provided in the bill. Other members of the House, supporting the measure, made estimates much lower than that of Mr. Byrns and their arguments in behalf of the lower paid Government employees prevailed.

The Interior Department bill, as reported from committee on December 15, carries a total of $43,192,904.

Banking

On December 15 the Senate voted to make the banking reform bill, S. 4412, introduced by Senator Glass, Va., D., the special order of business. This measure contains that part of the general banking bill of last session which was eliminated in order to speed up the passage of emergency financial legislation. It has to do mainly with the Federal Reserve system. Since December 15 Senator Glass has announced that some changes will be made in the bill before he calls it up after the holidays. As soon as those changes are announced the DIGEST will give a complete report on the provisions of the bill.

Changes of various nature in regard to the Reconstruction Finance Corporation, Postal Savings Banks and Farm Loan agencies are suggested in bills before one or both houses, but any movement in these directions are still in an undeveloped stage.

Economy Program

While many promises of economy in Governmental expenditures have been made, the only definite results apparent during the early days of the current session were reductions in the appropriation bills that came from the House Committee on Appropriations.

The Democratic leaders of the House are working on a program but it had not been announced prior to the holidays. Apparently, the Government pay scale will be the same next year as at present, as further reductions do not appear to appeal to members of Congress.

On the one hand they are being urged to cut government costs and on the other they are being urged by Federal office holders all over the country to cut no deeper into salaries. It so happens that all the Federal office holders have votes and many of them are party organization workers.

Naturally the members of both houses are facing a dilemma and the indications are that the Democrats will endeavor to stall off any definite action until the extra session and that the Republicans will acquiesce in their efforts in that direction.

Eighteenth Amendment

The defeat of the repeal resolution by the House on December means that there is little chance of further action on that problem at this session.

Supporters of repeal intend to bring in another resolution early in the next session when they feel it will surely be adopted by both houses, although they anticipate some resistance in the Senate.

Foreign Debts

THE inability of President Hoover and President-elect Roosevelt to agree upon a cooperative plan for handling the foreign debt problem resulted in the President's dropping the whole matter. The President had intended to recommend a plan to Congress for the revival of the Foreign Debt Funding Commission, composed of members of the Senate and House and other officials, since if he did so now, the Democrats would prevent action by Congress.

Congress, therefore, will not be called upon to consider the problem at this session. The one-year moratorium agreed to by Congress has ended. That returns the problem to its original status as of December 15, 1931, which was that the foreign governments were due to pay their instalments.

On December 15 six of the eleven debtor nations met their payments, while five defaulted, Czechoslovakia, Finland, Great Britain, Italy, Latvia and Lithuania paid, while Belgium, France, Hungary, Poland and Estonia defaulted.

Senators Borah, Idaho, R., and Harrison, Miss., D., were prepared to make speeches in the Senate on the subject of the defaulting nations, particularly France, but were dissuaded from doing so by Secretary of State Stimson and Secretary of the Treasury Mills, who suggested it would be a good thing to let France make the next move.

Until France does something further it is probable that the subject will not be seriously mentioned in either branch of Congress.

Philippine Independence

ON December 17 the Senate passed H. R. 7233, introduced in the House by Representative Hare, S. C., D., and passed by the House on April 4, 1932, with amendments. The bill went to conference on December 19. It is expected that the conferees will agree on a bill and that their report will be acceptable to both houses but that the President will veto the bill.

Stock Market Speculation

PLANS for further investigation of the stock market are still under consideration by the Senate Committee on Banking and Currency but probably will not be finally formulated and announced until after the Christmas recess. (See Digest for December, 1932).

Taxation

IN efforts to balance the budget Democratic leaders are working on a tax program, but have not yet reached an agreement. Supporters of the beer bill claim that it will produce $300,000,000 in revenues annually. Secretary of the Treasury Mills told the House Committee on Ways and Means during the hearings on the bill that he anticipated that the revenues would not exceed $150,000,000.

A sales tax looms as a possibility but, while some of the opposition that caused its defeat in the past session has died down, there is still doubt as to its acceptability to a majority of both houses. Some Senators favor adding sales tax provisions to the beer bill, but others are inclined to think it might be well to let all tax matters go over until the extra session.

Their point is that it would be well to wait until the income tax returns are paid in March, 1933, as Congress will then be in a better position to know just what the actual revenues are and how much more must be raised.

Veterans

ON December 15 Brig. General Hines, Administrator of Veterans' Affairs, made a report to the Congressional Joint Committee investigating the Veterans' problem, in which he recommended administrative changes which he estimated would save $11,500,000 annually.

The Students' Laboratory

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The Students' Question Box

Solutions of Problems Involving the Practical Application of the Theory of the American Government

Articles on the Operation of the Federal Government

Replies to Queries

Q. What is the practical necessity for our having foreign consuls and what are their functions in providing continuity to our government and its relation to the people? How and for what purposes does our government appoint these men? Who are they and what are their qualifications?—J. S. B.

A. In modern diplomatic custom a consul is the representative of a government stationed in a foreign country to look after the business and commercial interests of his country and its citizens as distinguished from an ambassador or a minister who is the representative of his government in official matters, as between the head of his own government and the head of the foreign government to which he is accredited.

Consuls are ranked as consuls general, consuls, vice consuls and consular agents, the first being the highest. Ambassadors and ministers are always assigned to the capital of the nation to which they are accredited. Consuls are assigned to commercial or shipping centers. The United States is represented by ambassadors or ministers in 53 countries and by consuls general and consuls in 325 large foreign cities and by consular agents in innumerable small cities.

American consular officers are appointed as the result of competitive examinations. The successful competitors enter the regular Foreign Service of the Government. Foreign Service officers are the permanent officers of the service and from their ranks are chosen all consular officers, counsellors of embassies and legations and diplomatic secretaries. Ambassadors and Ministers are sometimes chosen from among the Foreign Service officers but more frequently from outside the service.

Among the duties that consuls and consular agents are expected to perform, as set forth in the regulations of the Department of State are:

Establishes and effectively utilizes personal contacts in farsighted ways for the benefit of his Government and of American citizens.

Analyzes and reports on political and economic conditions and trends of significance to the United States.

Analyzes and reports on market conditions, statistics of trade, of finance, of production, of labor, etc., in foreign countries, so far as they are significant to the United States and to its people.

Analyzes and reports on crops and other agricultural, forest, fishing, and mining resources, so far as they may affect similar American interests.

Reports on all legislation of interest to the United States.

Reports on tariffs, both laws and practices.

Reports on vital statistics of Americans abroad.

Replies to individual trade and other inquiries from American citizens in ways to promote good will and help both present and future trade relations.

Exercises skill in following prescribed form and routine procedure when possible; and displays discriminating judgment, as may be necessary in more complicated situations requiring investigations, careful accumulation of information, or professional understanding of laws, customs, conditions, etc.

Issues passports to American citizens, registers citizens, and advises on questions relating to citizenship generally.

Issues bills of health, makes sanitary reports, and supervises disinfection of merchandise.

Certifies invoices of all goods shipped to the United States and reports on undervaluations for protection of revenues.

Visas alien passports and issues immigration visas under immigration laws.

Enters and clears American ships and airships, administers relief of seamen, signs on and discharges seamen, settles disputes between masters and seamen, and takes charge of shipwrecked vessels.

Assists in prevention of importation of prohibited articles.

Administers regulations relating to plant and animal quarantine.

Takes custody of and with sagacity administers and settles estates of American citizens and sailors who have died abroad.

Handles extradition cases.

Witnesses marriages, where at least one of the participants is an American citizen, in accordance with American and local laws.

Performs notarial services in accordance with Federal, State, and local laws.

How Uncle Sam's Laws Are Made

Series by Norborne T. N. Robinson

The following article is the eighth of a series of consecutive articles in which all phases of House and Senate procedure will be described. The articles are being prepared with the aid of the leading parliamentary authorities at the Capital, including members of both the Senate and the House and officers of those two bodies.

On every day that Congress is in session there is published a calendar for each house. The House Calendar is printed under the direction of the Clerk of the House and the Senate Calendar under the direction of the Secretary of the Senate. The official title of the House publication is "Calendars of the United States House of Representatives and History of Legislation." The official title of the Senate publication is "Calendar of Business." Each member of the House and each Senator receives a calendar of the house of which he is a member, delivered at his office, every morning. The reason that the House publication is "Calendars" is that the House has four different calendars whereas the Senate has but one, although the Senate Calendar is supplemented by Orders of Business which are, in effect, special calendars.

The House and Senate calendars are actually lists on which bills and resolutions are recorded in numerical order to be considered under given circumstances at periods fixed in advance.

The House Calendars are provided for in Rule XIII, which covers calendars and reports of committees. Sections 1, 2 and 3 of this rule read as follows:

"1. There shall be three calendars to which all business reported from committees shall be referred, viz:

"First. A Calendar of the Committee of the Whole House on the State of the Union, to which shall be referred bills raising revenue, general appropriation bills, and bills of a public character directly or indirectly appropriating money or property.

"Second. A House Calendar, to which shall be referred all bills of a public character not raising revenue nor directly or indirectly appropriating money or property.

"Third. A Calendar of the Committee of the Whole House, to which shall be referred all bills of a private character.

"2. All reports of committees, except as provided in clause 45 of Rule XI, together with the views of the minority, shall be delivered to the Clerk for printing and reference to the proper calendar under the direction of the Speaker, in accordance with the foregoing clause, and the titles or subject thereof shall be entered on the Journal and printed in the Record: *Provided*, That bills reported adversely shall be laid on the table, unless the committee reporting a bill, at the time, or any Member within three days thereafter, shall request its reference to the calendar, when it shall be referred, as provided in clause 1 of this rule.

"3. After a bill which has been favorably reported shall be upon either the House or the Union Calendar, any Member may file with the Clerk a notice that he desires such a bill placed upon a special calendar to be known as the 'Consent Calendar.' On the first Monday of each month immediately after the reading of the Journal, and on the third Monday of each month immediately after the disposition of motions to instruct committees which may be called up, the Speaker shall direct the Clerk to call the bills which have been for three days upon the Consent Calendar. Should objection be made to the consideration of any bill so called, it shall immediately be stricken from such calendar, but such bill may be restored to the calendar at the instance of the Member, and if again objected to by three or more Members, it shall be immediately stricken from such calendar, and shall not thereafter be placed thereon: *Provided*, That the same bill shall not be called twice on the same legislative day."

The present rule covering calendars of the House was adopted in 1880, but as early as 1820 a rule was adopted creating calendars for the Committee of the Whole. Experience taught the House the necessity of establishing a definite, orderly system of handling reports from committees.

Several reports would be brought in simultaneously and there would be a conflict on the floor of the House as to which to consider first. The question had to be settled by a vote of the House. This frequently caused serious delay.

In 1820 the calendar for bills to be considered by the Committee of the Whole was established to insure orderly consideration of the important bills, while other bills were taken up as they were reported. From this grew the present calendar system.

Thus it is that at present every bill or resolution reported by a committee of the House goes on one or the other of the four calendars, the union Calendar (the calendar for the Committee of the whole House on the State of the Union); the House calendar (the calendar for the Committee of the Whole House); the Private Calendar (for private bills) and the Consent Calendar (for bills requiring unanimous consent for consideration).

Unless removed from these calendars by such action as suspension of the rules, or by the adoption of a special rule to consider a given measure, all bills are considered in the order in which they have been reported from committee and placed on one or another of the calendars. Certain days are set aside for the consideration of bills on these calendars. The four Calendars will be discussed in detail in ensuing articles.

1917-20

As a conservation measure which was undoubtedly overstressed by the proponents of national prohibition, the Federal Congress enacted the so-called War-time Prohibition Act. This law was advocated not only as a food conservation measure but also as a conservation measure for transportation, fuel, and labor. It forbade the manufacture and the importation of distilled liquors for beverage purposes, and authorized the President at his discretion to reduce the alcoholic content of beer and wine, and to limit, regulate, and prohibit the use of food materials in the manufacture of beer and wine. It was intended to be a temporary measure and to continue in force only until peace had been declared and the military forces of the United States had been demobilized. Before this date, however, the Eighteenth Amendment was not only submitted but ratified by the states.

voted on the Bingham plank "recommending" outright repeal. Yeas, 460 2-9; nays, 690 19-36; not voting, 3¾. Adopted resubmission plank, containing protection for dry states.

June 29 the Democratic national convention voted on minority "submission" plank. Yeas, 213¾; nays, 934¼. Adopted majority plank favoring outright repeal and immediate modification of Volstead act.

July 8 seventy-six House Republicans petitioned Speaker Garner for an immediate vote on a beer bill, before adjournment.

July 11 the Senate voted on motion by Senator Robinson, of Arkansas, to refer to the judiciary committee the Bingham beer amendment to the home loan bank bill. Yeas, 50; nays, 25; not voting, 21.

July 16 the Senate voted to consider the Glass resolution to amend the eighteenth amendment. Yeas, 37; nays, 21; not voting, 38.

This Month's Contributors

Dr. Ella A. Boole, President National Woman's Christian Temperance Union.

Aug. A. Busch, President, Anheuser-Busch (Inc.).

James W. Collier, U. S. Representative, Miss., Dem.

Jere Cooper, U. S. Representative, Tenn., Dem.

Frank Crowther, U. S. Representative, N. Y., Rep.

Edward B. Dunford, Attorney, Anti-Saloon League of America.

Ernest A. Grant, expert on economic and sociological research. Since 1930 he has been engaged in special work for the Bureau of Prohibition, Department of Justice. His chronology beginning on page 2 is not an official document but was prepared by Mr. Grant especially for the DIGEST.

Willis C. Hawley, U. S. Representative, Oreg., Rep.

William R. Hull, U. S. Representative, Ill., Rep.

John J. O'Connor, U. S. Representative, N. Y., Dem.

Heartsill Ragon, U. S. Representative, Ark., Dem.

Morgan Sanders, U. S. Representative, Tex., Dem.

Mrs. William Tilton, Chairman Woman's National Committee for Education Again Alcohol.

Chas. B. Timberlake, U. S. Representative, Colo., Rep.

Allen T. Treadway, U. S. Representative, Mass., Rep.

This Month's Sources

1—Hearings Ways and Means Committee, December 7, 1932.
2—Hearings Ways and Means Committee, December 13, 1932.
3—Speech in the U. S. House of Representatives, Dec. 11, 1931.
4—Report of Committee on Ways and Means on, H.R. 13742, House Report No. 1800, December 16, 1932.